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PERSISTENCE OF HUNGER IN PROSPEROUS COMMUNITIES

HEARING

BEFORE THE

SELECT COMMITTEE ON HUNGER
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

HEARING HELD IN BEAVERTON, OR, MAY 30, 1990

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PERSISTENCE OF HUNGER IN PROSPEROUS COMMUNITIES

WEDNESDAY, MAY 30, 1990

House of Representatives,
Select Committee on Hunger,
Beaverton, OR.

The select committee met, pursuant to call, at 10:00 a.m., in the church annex, Bethel Congregational Church, 5150 SW Watson Street, Beaverton, OR, Hon. Tony P. Hall [chairman of the committee] presiding.

Members present: Representatives Espy, Bustamante, and AuCoin.

OPENING STATEMENT OF HON. TONY P. HALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. Hall. Good morning. My name is Tony Hall. I am a Representative in the U.S. Congress from Ohio and Chairman of the House Select Committee on Hunger.

The Select Committee on Hunger is a committee that examines not only international hunger but domestic hunger as well. We are here today because of our colleague, Les AuCoin, who has suggested for some time now that we come out here and listen and learn from you about not only what is going on in Oregon but to see how your hunger problems and efforts to respond to them might apply to the Nation as a whole.

We are excited about being here. Since its inception, the select committee has traveled to many, many places in the country and around the world, isolated rural communities, Indian reservations, inner-city neighborhoods, to examine the causes of poverty and hunger-related problems and the ability of a community to respond to those conditions. Usually, we have found that root causes stem from dying or struggling economies, or an ill-equipped labor force but here, that does not seem to be the case.

Today our mission is to examine the persistence of hunger in a prosperous community. I am told that Washington County is the fastest growing county in the State, it has the highest per capita income, and its unemployment rate has declined over the past 5 years.

All of these factors point to a strong, healthy growing economy; yet, despite those favorable economic indicators, thousands of Washington County families are unable to make ends meet. Every month, thousands of parents are forced to rely on emergency food sources to feed their children. Between 1988 and 1989, the Emergency Food Box Program operated by the Washington County Community Action Organization served approximately 16,500 families.

Between 1985 and 1990 more than 64,000 new jobs were created. The Portland area unemployment rate dropped from 7.4 to 4.5 percent, so the problem isn't a stagnant economy. People here are working, but many of those who are employed are not paid enough to feed their families.

We have an impressive list of witnesses today who will shed some light on the problems plaguing Washington County and will give the Committee guidance as to how we might influence national policy to improve its response to food security problems in this area.

As I said before, we are excited about being here and learning from you. We want you to feel, as you speak to us, that even though it is kind of a formal committee hearing, you can be informal with us. Try to think of it as if you are talking to your family. Try to remember that you are educating us. We are not experts but we are trying to learn and we are trying to set policy.

We are thankful for Les and his concern, his heart, and his complete commitment to eradicating hunger in this country. He is a very important member of this committee. We are excited about what he has meant to us and the Congress. He is the kind of man that when he gets up to speak in the House of Representatives people do listen. So we are thankful for being here and for his suggestion that we come.

I will turn this part of the meeting over to Les; I think he has a few words to say, and he will be introducing our other colleagues from Washington.

OPENING STATEMENT OF HON. LES AuCOIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. AuCoin. Mr. Chairman, I just want to tell you and my colleagues that we couldn't be more excited here in Washington County that you have agreed to bring our committee out to Washington County to examine the particular problems of hunger that exists right here in one of the most affluent areas of this State.

I want to say a few words and introduce my two other colleagues, but I certainly want my constituents to know a little bit more about you, Mr. Chairman. I think it is safe to say that there is no other Member of the House of Representatives who is as committed and as dedicated to the eradication of hunger and the misery that is caused by hunger, whether it is abroad because of famine or other circumstances or whether it is here in this country in rural areas, urban areas, or even in a county such as ours, which is known as an affluent area.

Tony Hall has had as a driving concern this problem since he arrived in the Congress. I am proud to have known him, to have worked with him. He serves on the powerful Rules Committee, but he helped to create the Select Committee on Hunger on which he now serves as chairman.

He serves in both positions extremely well and with great distinction. He is imaginative when it comes to fighting for solutions to hunger, to dramatize the problem of hunger in the midst of plenty. He organized a few years ago a banquet involving Members of Congress who dined on food discarded and retrieved from Capitol Hill trash cans. Just to demonstrate that there is plenty in this country, there is abundance but there is also hunger, and it is a moral question that needs to be addressed.

So, Mr. Chairman, I want to just indicate to you how pleased I am that you have provided the leadership in Washington, DC, that you brought the committee here, and I am certainly pleased that my colleagues on the committee and in the House, Mr. Bustamante, and Mr. Espy, are able to come and take part in this hearing, too.

The chairman I think hit the nail on the head in his opening statement. We are dealing in this hearing with one of the most tragic difficulties of our time, the persistence of hunger in the midst of abundance and affluence.

It is an invisible problem in many ways, and some of the witnesses will explain and talk about how invisible it is, but for those who are affected it is not something that can be pushed aside. There are people in real pain, in real misery, living amidst this abundance right now, and it is important I think as a moral question as well as a policy question for government at all levels to understand the causes, to understand the conditions, and to act with positive solutions.

Hunger is a symptom of poverty in many instances, but the really frightening reality is that poverty is never far below the surface even in affluent areas such as the county that we are in today, Washington County, here in Oregon.

How do we reconcile the fact that as unemployment falls in many communities there is a simultaneous rise in the demand for emergency food assistance? That is a fact. It is happening here.

How can it possibly be, Mr. Chairman, and colleagues and constituents, that thousands of people who are either working or who are trained and are ready to work are fighting today just to feed their families?

From Oregon to Mississippi, from Ohio to Texas and beyond, this phenomenon has challenged the very fibers of the American Dream, and that dream says that hard work mean that you can succeed, hard work brings just rewards and fulfills dreams.

We are fighting something that is challenging that dream, and I think that we need to win that fight in order for the dream to remain alive.

Nowhere in Oregon, Mr. Chairman, is this dichotomy that I have described more true, more clear than here in Washington County. Al, Tony and Mike, I want to say to you that we meet here in this hearing, but you are visiting two counties, two counties right here. One, Washington County, has probably more VCR's, more CD players, more two- or three-car garages, swimming pools, probably more than any county in the State of Oregon. And I would guess than most counties in the Nation.

The other Washington County is a county where amidst all of this, children still go to bed hungry at night and they can't understand it. This other county is a place where people work very, very hard and they live on tight budgets, but they are finding that the economy is such that they can not, despite that, keep up.

We in this county have enjoyed tremendous growth over the last 5 years, over the last several but particularly over the past 5. In the heart of this county, as I explained to my colleagues, we have what we call Silicon Forest, sometimes called Silicon Valley North, high-tech country. It draws thousands of people to the area to fill newly created jobs. Washington County also has the highest agricultural output of any county in the State of Oregon. Area residents enjoy the highest per capita income in Oregon, far surpassing the national per capita income level. The unemployment rate has consistently dropped in the county since the mid-1980's, and today it is less than 5 percent of the work force.

Could there be hunger in this place where fortunes are being made? Unfortunately, the answer is, "Yes."

The city we are meeting in, Beaverton, has a population of 40,000 people. I would like as we begin this hearing to imagine the city of 40,000 totally inhabited by people living below the poverty level. If you envision that you have envisioned the magnitude of hunger in Washington County according to the best information that we are able to gather.

I think it would come as a surprise to most residents of Washington County that the largest city in Washington County is equivalent to the number of hungry people that live in this county.

The reason is that prosperity has brought changes to our county. Housing costs today are the highest in the State and there is less than a 1-percent-vacancy-rate for rental housing units. Paying for shelter alone often, according to facts we have, eats up one-half of the monthly paycheck for families. In many cases it is more than that.

The result is, Mr. Chairman, with the combined expenditures for child care which has not been affordable, expenditures for transportation, expenditures for medical care and incidentals, the fact is many in the county find they need help with simply being able to feed their families.

We have a burgeoning population in Washington County that has had a major impact on our emergency food network. You will hear testimony to that effect today.

Our story is not that much different from the story in the State as a whole. Last year close to half of the 480,000 Oregonians who required emergency food assistance were also employed workers. They were employed workers. They had jobs.

While demand is expected to increase, cuts in Federal subsidies will only make it more difficult for the hunger network to meet that need. Although the State is working to tighten the safety net, it obviously cannot do it alone.

Mr. Chairman, well-trained able-bodied people, working Americans are not supposed to need emergency food assistance, but the reality is they do need it. That is why we are gathered here today, because no single private or public entity can shoulder the burden of this phenomenon alone. It needs an active Federal presence as well.

I think among the policy questions that we are debating in Congress today, the question of child care, the question of medical care on an affordable basis, are policy questions that what we learn today will enable us to address better. It seems to me the degree to which Congress can provide an affordable solution to child care is the degree to which we can end some of the misery, some of the difficulties we will be hearing about in this hearing and in other hearings around the country. The degree to which we can address finally the question of affordable medical care is the degree to which we can alleviate some of these problems as well.

So, Mr. Chairman, we are at a time in Congress where a number of important questions are before us on each of these suggestions and others. I do believe that this is a timely moment in which to be conducting these hearings across the country and I trust that our committee understands your leadership will be able to take what we have gleaned from the wisdom that exists, and it is the wisdom at the grass roots from the people who have really had to pencil out their budgets each month, take their wisdom and translate that into amendments and pass those amendments and make them law so that we can in fact live up to that dream that this country was really based on.

[The prepared statement of Mr. AuCoin appears at the conclusion of the hearing, see p. 53.]

Mr. AuCoin. Mr. Chairman, those are the remarks I wanted to make, and I just now want to step up to the pleasure of introducing our two other colleagues who have joined us for this hearing.

Congress Albert Bustamante represents the 23d Congressional District in Texas, which includes San Antonio, which next to Portland, OR, may be the most beautiful city in the country. Though a native of Texas, Albert has a strong connection to Oregon that was made even stronger when his family relocated to nearby Woodburn, OR.

Albert's concern about horrible living conditions found in South Texas led him to pursue a seat on the Select Committee on Hunger. He has worked hard to improve nutrition, education, and living conditions in these poverty-stricken rural subdivisions in his own congressional district; he is somebody who cares, cares about people's needs, cares about hunger, cares about the issues we are dealing with today.

He has worked his entire life to provide leadership to communities that need his help, and that is why he joins us today in Washington County to provide leadership to another community who is calling out for help at this time as well.

So I would like now to introduce Congressman Albert Bustamante.

OPENING STATEMENT OF HON. ALBERT G. BUSTAMANTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. Bustamante. Thank you so much.

Mr. Chairman, let me thank you, and of course I want to thank my very distinguished colleague from the State of Oregon for inviting me to these hearings.

I am well acquainted with this area. Oregonians have always been people that are concerned about issues, whether it be the environment, whether it be the quality of life of people. I first came here in 1953 as a migrant worker. My family has been in Oregon since the 1940's, but I came here in 1953. We lived in St. Paul, OR, Marion County. My mother is living in Woodburn, my brothers and sisters live in the Woodburn-Jervis area, so we worked the fields, worked the hops at this time of the year.

Of course it is berry-picking season, strawberries begin now and end around the 4th of July. Then you go into the bean picking area, then back to the hops, and we went back to Texas.

So I have a strong identity in this area. I was sort of a foster child for the State of Oregon that took me in and they released me once in a while to go back. So I still have strong roots here.

Of course, as to my family, my father is buried in Woodburn, OR. I came here when I dropped out of college and worked a year at Timber Structures, then Gunderson Brothers on the waterfront as a scaler, and then went back to Texas and then got involved in a little bit of politics, and here I am now.

So I too share my friend's concern, and all of your concerns; Congressman Espy from Mississippi, too, we are all in this boat together. As affluent a nation as we have, yes, there are people who have tremendous needs. I lived in many of these areas. I understand the concerns. I understand the pangs of hunger and malnutrition, and although as my colleagues have said, there are people who earn a decent living here, when the car breaks down, when the family gets sick, your budget, as good a budget person as you might be, once that budget is upset then you meet the requirements for food stamps and food supplements.

Our senior citizens that are present today, they know what some of the things I am talking about are, because anything that happens to them that upsets that monthly income really messes up their lives.

So I am just happy to be here with you addressing some of the needs and concerns that we need to take up in the Congress.

Thank you so much.

Mr. AuCoin. Thank you, Albert.

Let me now introduce my other colleague who is with us, that is Congressman Michael Espy, who has served on this committee since he first got elected to Congress in 1986. He represents Mississippi's Second Congressional District. After he got elected 2 years ago, he was appointed chairman of this committee's Domestic Task Force. This appointment came as no surprise to those of us who have come to know Mike, who have worked with him and watched his leadership.

He was one of the few freshman Members of Congress to pass a major piece of legislation in the 100th Congress. One of the few freshman Congressmen I have ever seen pass a significant piece of legislation in his first term. It was an economic development program for the Lower Mississippi Delta area and it shows his commitment to human needs.

From his seat on the House Agriculture Committee Mike ushered through that development act. It will serve as a blueprint for economic development throughout a seven-State area to improve the quality of life for people who reside in that area.

Mike's commitment to tackling the issues of poverty and hunger both in his home State and throughout the country are well-known and they really serve as an inspiration to his colleagues.

So thank you, Mike, for joining us, and we look forward to your statement as well.

OPENING STATEMENT OF HON. MIKE ESPY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. ESPY. Thank you, Les, I appreciate that introduction, and we thank you for inviting us to Oregon, the Portland area, to Washington County in particular.

Mr. Chairman, thank you for your leadership and thank you for bringing the committee to the area. It is my first time in the Portland area. I look forward to a very interesting hearing.

I am seated beside Les AuCoin, your Congressman, who represents Washington County, Oregon. I suppose you could say that there are two Members of Congress representing Washington County, because I have a Washington County as well. I represent 22 counties, the largest county in my congressional district is Washington County, Mississippi, and I would say that they are a little bit different. You can look at the economic statistics relative to each.

My Washington County has an annual per capita income of a little bit more than $8,000, whereas here I understand that the per capita income is about $17,300 per year. In my Washington County, if you look at unemployment, it is pretty high, it is about 14 percent; here it is less than 5 percent in Oregon.

In Washington County, Oregon, the infant mortality rate is about seven deaths per thousand live births; I wish I could say that was similar to my Washington County, where babies die at the rate of about 20 deaths per thousand live births, and that is better than most of the other counties in my district.

So it is easy to see why folks in Washington County, Mississippi, have to rely on food banks and nutrition supplements and soup kitchens to feed themselves, because we are one of the 282 most distressed counties in the Nation, according to a national assessment of county economic standards.

But it is not so easy to explain here. According to the same survey, Washington County, Oregon, is one of the 315 counties cited as having strong economies. So despite our economic differences we know that both counties share common problems. Citizens of both Washington Counties are forced to choose between food and shelter, to choose between food and health care, and as Les said, in his Washington and in my Washington County children go to bed at night hungry right here in America with a budget of about $1.2 trillion.

He talked about the Lower Mississippi River Delta Development Commission that we were successful in creating and hopefully successful in implementing. So we sort of have an idea of what it takes there. To be honest, I am not sure of what it will take for Washington County, Oregon. That is why we allow people like Les and Tony Hall.

But that is why I am here to find out. We want to see how poverty can persist in an otherwise prosperous community and what can be done about it. This hearing and this committee play an important role in finding solutions. Your Congressman Les AuCoin and our Chairman Tony Hall and the rest of our colleagues here today, Albert Bustamante, we are going to see that the problems facing Washington County, Oregon, get a full hearing and that your message is delivered to the relevant committees of Congress back in Washington, DC.

I can tell you that as a member of the House Agriculture Committee, we have already made some adjustments to this year's farm bill, which we are marking up. We will finish that once we return from this Memorial Day break.

We have talked about changes in the Food Stamp Program that will change regulations and strengthen benefits and permit a greater number of working low-income families to receive assistance. We have also increased the purchasing power of the TEFAP from $120 to $190 million per year, so we are helping, but we certainly need to do more.

I hope that after today's hearing when we have learned more we will be able to help more.

So I agree with our Chairman Tony Hall, that we have an impressive list of witnesses today, so I will conclude, Mr. Chairman, by thanking you again for convening this field hearing, and I look forward to a very enlightened session.

Thank you, Les and Tony and Albert.

[The prepared statement of Mr. Espy appears at the conclusion of the hearing, see p. 57.]

Mr. HALL. Well, I want to thank my colleagues, Mr. AuCoin, Mr. Espy, and Mr. Bustamante for their excellent statements.

We will proceed with the first panel now: Ms. Ness, Mrs. Baez, Mrs. Carson, and Ms. Stinson. If you would come forward and be seated at the witness table, please.

Let me just tell the audience a little bit about our four witnesses. Ms. Ness came to the Washington County Community Action Organization 17 years ago as a VISTA volunteer. She has held the position of executive director for the past 5½ years. Under her leadership this agency provides a wide variety of food, shelter, and income support services to low-income households in need.

Ms. Ness is also the immediate past president of the Oregon Community Action Directors' Association and chair of the Washington County Human Services Coalition.

Mrs. Baez and her husband are residents of Hillsboro. She is the mother of three children, aged 7, 3, and 7 months. She was previously employed in a full-time position with a local electronics company. However, after meeting child care expenses she was left with only $50 per week from her paycheck, and decided to leave the job.

Mrs. Carson and her husband were both born and raised in Washington County. Currently they reside here in Beaverton. She is a housewife and her husband is a shipbuilder. They have four children between the ages of 11 and 4.

Ms. Stinson also lives in Beaverton. She is the mother of four children aged 16, 14, 13, and 7. She participates in the Aid to Families with Dependent Children and Food Stamp Programs. She works part-time cleaning apartments.

We are so pleased that you have consented to be with us this morning. The committee is particularly thankful for your willingness to come before us and discuss the problems you personally confront in your efforts to secure adequate food for your families. We have your statements, they will be part of the record.

We would like to remind all the witnesses today to try to keep your statements short if you could, summaries in your own words if possible. We have three panels today and we have a very tight schedule because there is so much we want to see here

We again appreciate you and your willingness to come here and tell us about your own situation.

Why don't we start off with Ms. Ness.

STATEMENT OF JERRALYNN NESS, EXECUTIVE DIRECTOR, WASHINGTON COUNTY COMMUNITY ACTION ORGANIZATION

Ms. NESS. Thank you, Chairman Hall, Congressman AuCoin and committee members.

I feel like we are speaking to a very enlightened panel today, and your introductions certainly said a lot for not only your knowledge of the issues but your commitment to it. All of us recognize that this is recess time for you and that you are taking precious time away from your own districts to hear more about hunger in a community with affluence.

When I decided to be a VISTA volunteer I had an opportunity to go into the Peace Corps, and part of the reason that I selected to join VISTA and be placed in Washington County was the very reason that all of you are here today. The contrast between poverty and wealth was so stark at that time, and yet I felt very optimistic that in a community like this if any community was going to be able to solve its problems this could, but I also realized there were tremendous problems for the poor in just being heard, just being seen, just being acknowledged.

So I applaud you for addressing the same concerns. I hope that as you go through this day today and listen to our witnesses, experience part of our community, that you are able to leave with some additional information, perhaps some inspiration that will take you back to the District of Columbia with more energy, renewed energy for a very difficult task that we have before us.

As difficult as it is, I am very, very optimistic that we can do something about hunger in this country, because we absolutely can.

The Community Action Agency in Washington County has been serving low-income families for the past 25 years. We have been concerned both with the conditions of poverty and the causes of poverty, and as Congressman AuCoin alluded, poverty is certainly one of the reasons we have hunger.

Out of our concern for hunger and through the dedication of another VISTA volunteer, Val Donley, who is with us today, she spent 3 years as a VISTA volunteer and established our county's food bank. So for the past 8 years we have been fortunate to operate a food bank program that solicits donated foods, surplus food, stores it, and distributes it to nearly 50 member organizations in our country. Those organizations get food directly out to people.

This year—as you can imagine, this is a tremendous volunteer effort. It is an effort that through the donated foods, the USDA commodities, and hundreds of volunteer hours, we are able to feed a hungry person for 5 days for $1. There is not much you can buy for $1 these days. It is very, very significant.

This year we have met or responded to nearly 74,000 emergency food needs. This was just through the provision of food boxes and emergency hot meals, food boxes delivered to people, Ray Hurdell sitting in the back of this room, Ray is a wonderful person and—excuse me, Ray, but he is in his mid-70's, who every day gets up and goes to St. Matthew's Church in Hillsboro at 8 a.m., attends Mass, at 8:30 he has the crew mobilized and they spend the day delivering food. Without people like Ray we would not be able to accomplish what we are doing.

Today you will also visit our only hot meals program at Centro Cultural in Cornelius. Those two programs have, the Food Box and Hot Meals, have met the large need I spoke of. In addition, we have been supporting feeding programs for low-income children, the elderly and handicapped individuals in this community. We are doing it with far fewer resources than we have ever had.

As you all know, all of us have faced cutbacks in USDA commodities. While we have not relied entirely on the commodity program, it has provided over half of the resources that we have to deliver. Our local donors are coming up with three-quarters of a million pounds of food each year for us. They cannot double that to make up the loss of USDA commodities.

So we are providing less nutritious food boxes, providing fewer of them, thinning the soup, we are losing resources, volunteers, and we have lost four Food Box Programs because of the frustration and agony of having to decide who you are going to feed today and who you are not, because you don't have enough.

I know all of you realize that food is the last item in a family's budget to purchase. Families know that when they can't make it through the month that the landlord won't donate the rent, they know the utilities won't donate electricity, fuel vendors will not donate heat, but people believe in this community of abundance that if their family experiences hunger, that they can turn to the community for support.

We want to be there for them.

The need for emergency food in our community, as you will hear and see today, has not diminished. We are feeding the working poor. We are feeding elderly. We are feeding single women with children, we are feeding the homeless.

Homelessness, Mr. Chairman, has doubled in this county in the last 2 or 3 years, another irony, mostly families. In spite of this, you hear a great deal about Washington County. This county is prospering. It is tremendous. I wish we could take you through the prosperous areas and by contrast see the other side that Les refers to, just to emphasize the points Les made.

We have the highest per capita income in Oregon, we are experiencing enormous growth, you see it everywhere. With a steady decrease in unemployment and a tremendous abundance of jobs, we have great success here. We have a tremendous livability in this community. We have a fine, fine mix of farm, forests, and urban settings.

Yet, right next and mixed in and invisible as it can be, is poverty. At least 32,000 people are living below the poverty line. This is

12 percent of our population, which is only 2 percent better than the national average. These are young families for the most part. They are younger than they have ever been, poorer than they have ever been, many living at half the poverty level, and they are working harder than they have ever worked before. For a family of four they need to earn at least twice Oregon's minimum wage, which is at $4.25 an hour.

You will hear from one of our witnesses that that is barely enough. Probably $10 an hour is what people need just to pay the basic costs we all take for granted, to feed, shelter, heat, transport, and then hopefully have access to some health care and child care.

The majority of our residents also must rely on public transportation. This county is very large, has an urban end and rural end, but the transportation doesn't go through, it stops. We have the highest rents in Oregon. Between the increases last year and this there will be a 30-percent increase.

We have 10,000 families who are in need of access to adequate, affordable housing in this county. As I mentioned, our homeless population has doubled and our agricultural workers along with many others, believe me, are living in conditions that we believed only possible in Third World nations.

We have almost no affordable child care and options for families working at minimum and entry level jobs. Yet most of the jobs we are creating are entry level. Our businesses need these workers to succeed in this area. Our workers need to be able to pay for the basics of life at entry level wages.

Yet, we are desperate for workers to hold these jobs and we also know that women and minorities are the highest number of new entries to our work force, and we are not dealing with the issues that they have.

Struggling because you are poor is difficult in all situations, in most situations. But when you are struggling with poverty in an affluent county, especially like Washington County, it is very demeaning and depressing and it is an almost insulting experience. Especially when you are working hard to—working hard or trying hard to obtain gainful employment. People become very, very hopeless. We have seen more despair and hopelessness in the families we have worked with than I have seen in all the time that I have been doing this work.

We are seeing a generation for the first time who will not be better off than their families before them, a generation who believed that if they worked hard enough they could provide adequately for their families, and they think something is wrong with them because they are not.

They believed in the American Dream, Congressman AuCoin talked about that, they are working hard for a decent life and yet they cannot feed their families and barely keep a roof over their heads. Simply it is the income is inadequate for the basic cost of living in Washington County, Oregon.

So we see the problems of hunger can't be addressed simply through provision of food, and yet that is essential to prevent destitution. We have to have a network in place that is stable and strong that can respond.

But we have also got to address numerous other issues. If we don't, our economic development plans will soon be failures. We have to address affordable housing, we have to address affordable child care.

Family wage jobs are needed and jobs that come with basic health care coverage. In Washington County accessible public transportation is essential. People cannot afford the cost of private transportation. And we cannot forget that for ethnic minorities and women entering the work force we have to provide quality opportunities and comparable pay for these individuals to be able to support their families in Washington County also.

Last of all, I guess, adequate support services for human development and basic needs is another part of the equation. We can no longer look at that as frills, as social service frills. We have to have a social service infrastructure in place.

In the process of addressing the causes and these longer range solutions to hunger——

Mr. HALL. I hate to interrupt; however, we have a number of witnesses yet to hear from and we have two site visits to make. Your testimony is great, but we have questions, we are going to have to be very strict with the time allotted each witness, so if you can sum up your testimony, that would be appreciated.

Ms. NESS. I will just make a couple comments.

We need the Federal Government as a partner. Alone we cannot solve these problems. While I believe change occurs person by person and that problems are best solved at the local level, I also believe that the Federal Government has enormous power to set a national consensus, and when our highest level of Government proclaims loudly and clearly that hunger in this land of plenty is morally unacceptable and will not be tolerated, you validate this concern and you mobilize a nation of concerned people into action; and together we can with our combined resources and efforts eliminate hunger. We are ready to join you in the effort.

Thank you.

Mr. HALL. Thank you.

[The prepared statement of Ms. Ness appears at the conclusion of the hearing, see p. 60.]

Mr. HALL. Ms. Baez.

STATEMENT OF PATRICIA BAEZ, PRIVATE CITIZEN, BEAVERTON FOOD BANK

Mrs. BAEZ. First of all I want to thank you for allowing me to share this with you.

My name is Patricia Baez. I am the mother of three children, ages 7, 3, and 7 months. My husband is employed as a janitor for a company in Portland. He cleans buildings for $1300 per month, which comes to around $1000 after taxes.

When we first came here we did not have a place to stay and we got the help of the shelter home. Right now we pay $340 for a two-bedroom apartment.

Mr. AuCOIN. How much did you say you are paying?

Mrs. **Baez**. We pay $340, but I have been living there for 4 years. The landlord increased the rent to $400 for people who are just moving in.

We cannot afford the payments for medical coverage offered by his company. We have had to pay for medical emergencies and care for our children with cash. We don't always have the cash. To help with expenses I worked on a cannery as a seasonal employee, but I won't be able to do that any more as the company wants a commitment that I will work for 2 months at each shift: day, swing, and graveyard.

After applying at different companies, I started to work for a local electronics company for $5.50 an hour. I had to pay child care for my two youngest children, and was not confident in the care they were receiving. After the additional costs of child care and transportation to work, I found I was only bringing home an additional $50 per week. I did not think this was worth the uncertainty I felt having my children cared for by strangers, so I left the job.

My oldest son receives hot meals at school. We receive an emergency food box every other month, we participate in the food bank's Brown Bag Program and have received Christmas baskets. I also receive WIC assistance. These programs provide a lot of assistance to my family and they are very important to other people in the same situation and even worse than we have right now.

Thank you for having me appear here.

Mr. **Hall**. Thank you, Mrs. Baez.

[The prepared statement of Mrs. Baez appears at the conclusion of the hearing, see p. 64.]

Mr. **Hall**. Mrs. Carson.

STATEMENT OF DEBRA CARSON, PRIVATE CITIZEN, TUALATIN VALLEY FOOD CENTER

Mrs. **Carson**. My name is Debra Carson and I appreciate——

Mr. **AuCoin**. Excuse me, Mr. Chairman, but I want to be sure people in the audience can hear. Is there any difficulty with the PA system in the back? Can you hear the witnesses?

I understand they cannot hear well.

Mr. **Bustamante**. Get as close as you can to the mike.

Mr. **AuCoin**. Move as close as you can to the mike.

Mrs. **Carson**. OK.

My name is Debra Carson, and I appreciate the opportunity to testify before this committee. I have lived in Washington County my entire life, as has my husband. I have personally witnessed the transition in this area which is the focus of this hearing today.

In 1972 my parents rented a house on 10 acres of land in the city of Tualatin for $150 a month. Today the house is gone and the land it sat on is selling for over $1 million. That gives you an example of what is happening to housing costs and how it is affecting families like mine who call this area home.

My husband and I live with our four children; one is his from a previous marriage, one is mine from a previous marriage, and two we have had together. Two are 11 years of age, the other two are 6 and 4 years old. My husband is a trained journeyman carpenter working for a shipbuilding company in Vancouver, WA; he makes

$9.50 an hour. We pay $138 a month for partial medical coverage, and after taxes his check comes to around $1,200 each month. We receive $150 a month in food stamps, and $130 a month in child support from my former husband.

My husband was a member of the carpenter's union in the late 1970's, but during the recession of the early 1980's he was forced to change his profession. He took a 9-month course at Portland Community College to become a motorcycle mechanic, but the recession was so severe he could only find short-term, low-pay work when he completed the course. He then found a carpentry job for $7 an hour in the mid-1980's, but was laid off in 1985. For 9 months in 1986 we were forced to go on welfare for the first, and hopefully last, time in our lives.

During this time my husband participated in the State's On the Job Training Program, which helped him start his own business as a mechanic and carpenter. Unfortunately, we couldn't afford the cost of getting him bonded, so he was unable to support our family adequately. During this time he continued to look for steady employment, and finally found his current job.

As you can tell, neither of us want to be on public assistance, and will do everything we can to stay off of it. We keep a meticulous budget, and are fortunate to live in a four-bedroom home owned by the Washington County Housing Authority.

We pay $377 a month in rent. A nearly identical house next door rents on the open market for $850 a month.

I do my best to provide enough food for us and our children. I buy bulk foods, cook from scratch, and avoid all prepared foods because of the cost. I try to budget $75 every week for groceries, but often get by on $50 a week, if that. That includes a lot of Ramen noodles, macaroni and cheese, and day-old bread.

I buy whole chickens and then cut them up so my kids only gets one piece each. I even buy gallons of 1 percent milk and dilute it into 2 gallons of one-half percent milk, and I still only let my kids have milk for breakfast.

I was the coordinator for the Westside Gleaners group for a number of years, but then it became too much work for too little return so I stopped participating.

Our entertainment consists of going to the movies once every 6 months on "$1.50-night" once every 6 months, and renting a video and movies to watch at home every other month. Our furniture has all been inherited from our families, including the hide-a-bed my husband and I sleep on for lack of a real bed. We refuse to buy on credit, and only spend what we've budgeted.

Beyond our rent, we spend approximately $200 on all utilities, including gas for heating, electricity, phone, water and garbage service. After that, comes car insurance and gasoline so my husband can get to work, the health insurance I have mentioned, and medical bills not covered by our insurance, such as counseling for my husband's child who was abused by his step-father before we gained custody. The rest, whatever we can save, goes to food, toiletries, and what little entertainment we can afford. Budget seldom allows for birthdays or holiday celebrations.

We have yet to be able to put anything aside for emergencies. I feel the Government should be able to help more. As soon as my husband gets a raise, our food stamps are reduced and the rent increases. No matter what we do we don't seem to get ahead.

I appreciate the food baskets we have received from the Tualatin Valley Food Bank. Some months we are really scrimping at the end and that food means a lot to us. We have received Christmas baskets ever since we were married and we are thankful for the Salvation Army's Dress-a-Child Program, which helped us provide outfits for our children last year.

We don't use the food bank every month because we feel that other families are more deserving and needy than ours, but we have really been thankful that it's there when we have needed it.

No matter how hard it is on my husband and I to save and live on a tight budget, we know it is harder for our children. They feel the stigma of being low-income and get depressed when other kids tease them for having to receive a scholarship to join the Boy or Girl Scouts or for getting free meals at school.

It tears my husband and I a part to see the shame they feel and that makes us work even harder to make additional sacrifices for them.

We don't want to be in this situation. It would be easy for us to sit back and allow the Government to take care of us, but we won't. We are proud people who want a chance to support our own family on our own. And it is only because of circumstances out of our control that we have not been able to.

We are tired and resentful in having to justify many of programs mentioned today. We would have been considered middle-income 10 or 15 years ago, but over the past two decades the cost of living, housing, and food have risen so sharply, our income remains the same, and now we are considered low-income.

We are not second-class citizens. We are hard working members of the community who are trying to beat the system and come out ahead.

Thank you.

[The prepared statement of Mrs. Carson appears at the conclusion of the hearing, see p. 66.]

Mr. Hall. Thank you, Mrs. Carson.

Ms. Stinson.

STATEMENT OF RENE STINSON, MEDICAL ASSISTANT, TUALATIN VALLEY FOOD CENTER

Ms. Stinson. My name is Rene Stinson and I volunteered to be here today to tell you about my personal situation.

First of all, I want to tell the panel and everybody here I am not a lazy person.

Mr. Hall. Can you talk right into the mike.

Ms. Stinson. OK.

I am not a lazy person. OK? I would like to work as much as anyone else here. But I have four children. I am a single parent. My sons are 16, 14, 13, and 7. With that many children, they like to eat a lot. So sometimes it gets hard for me to feed them and at the end of the month we always seem to run out of food.

Each month basically I receive $616 from AFDC and $330 in food stamps. That depends if I work or not. If I work, they take less, I get less. For example, this month my check was only $474. My rent is $475, so, therefore, I was a dollar in the hole already.

With food stamps, I cannot buy clothing for my four boys who are obviously growing. I cannot buy soaps, deodorants and washing powder, nothing that is personal, except for food items.

As I said, I live in a three-bedroom apartment. My rent is $475 per month and I pay $475. I do not have housing or subsidized housing. My utilities usually run about $150 a month, 12 months of the year. I don't care if it is summer or winter.

As far as food goes, I am a very careful shopper. I buy foods on sale. I use food coupons. I go to food stores that you have to bag your own groceries to save money, and I don't buy meat for $5 because that would put me at the end. We eat hamburger, chicken, and hot dogs. That is basically my food budget.

But no matter how hard I try we still don't have food. Currently right now working part-time for my manager in my apartment, if I work full-time I would make $500 a month. But I am working part-time so, therefore, I made $100 this month. So that is not a lot of money. And during the week I volunteer at the Tualatin Valley Food Center because they helped me so I thought I should help them. That is the best that I can do.

Towards the end of the month—I hate to say this but this is the truth—my children will come to me and say, Mom, can I have an extra bowl of cereal, and I have to say no. I'm saying, "Sorry, if you eat an extra bowl of cereal, 2 days from now nobody will have anything."

As a parent, it kind of hurts to say, no, you can't eat any more. I don't care how hungry you are, go to bed, I don't have the money to feed you, I don't have the money to buy the food to feed you.

I have worked part-time in Oregon on and off but basically they want to pay me $4 or $5 an hour and that just doesn't work. In order for me to make it off welfare, I need to make at least $10 an hour but my job will not pay me the first 3 to 6 months medical for my children. I have four kids; somebody is always hurt.

So people think in Washington County we have so much but there are those like us who don't have everything. I am glad that you are here to listen to our side of the story to see that we don't have what your records and your things tell you we should have because we live in Washington County.

We are citizens, just like the woman that has a BMW in the back yard. My sons are on the School Lunch Program. My oldest one is too embarrassed. I pay $2 a day out of my pocket to feed him. If I don't have it, I borrow from my neighbor, can I borrow $2, please? If we don't have it, he will not eat.

So I am so glad you are here to listen to what we have to say and maybe things will change. We need someone to help us change these things.

For my children, as far as they are concerned I will do anything to feed them. The only thing I would like to have in my life is a job that I can take care of my children. I am not a lazy person. If I have a job, I would take it. So I can help at least my next neighbor or who has been in a situation that I am trying to get out of.

But that is all I have to say. Thank you.

[The prepared statement of Ms. Stinson appears at the conclusion of the hearing, see p. 71.]

Mr. **Hall**. Thank you, Ms. Stinson.

You have four children. You pay rent of what, $475?

Ms. **Stinson**. $475.

Mr. **Hall**. $475. Do you get food stamps?

Ms. **Stinson**. Yes, I do, $330.

Mr. **Hall**. $330. How can you possibly feed your four children on that?

Ms. **Stinson**. That is what I would like to know. It is difficult.

Basically, my children eat around, at least $400 a month in groceries and that is in the winter months when they are going to school. Summer months, it is twice as much.

Mr. **Hall**. In summer months they won't go to school so they won't have the Hot Lunch Program.

Ms. **Stinson**. That is correct. I feed them three times a day.

Mr. **Hall**. So where do you find the funds? Where do you find the food?

Ms. **Stinson**. Sometimes I myself would not eat so they could eat, to be sure they have enough food. I have gone days without eating just so they could have food to eat. I spend $5 a day to buy hot dogs and noodles. They might eat that for a whole week. As long as they have something to eat every single day.

Mr. **Hall**. Do you participate in this—what do you call it——

Mr. **Bustamante**. Brown bag?

Mr. **Hall**. Food Box Program?

Ms. **Stinson**. Yes, I do. I receive food. I try to receive as little as I can, but basically every other month. I could use it every month, but some days we would just have to do without it.

Mr. **Hall**. How long would that food box last you?

Ms. **Stinson**. With my family, actually a day and a half.

Mr. **Hall**. Day and a half?

Ms. **Stinson**. Right.

Mr. **Hall**. And you get it, what, once every other week; did you say?

Ms. **Stinson**. No, once every other month.

Mr. **Hall**. Every other month?

Ms. **Stinson**. Yes.

Mr. **Hall**. Mrs. Carson, you said that you used to be with the West Side Gleaners. They have gleaning here in Oregon?

Mrs. **Carson**. Correct.

Mr. **Hall**. You used to be coordinator?

Mrs. **Carson**. Yes.

Mr. **Hall**. Is there a substantial amount of food coming into the food banks from gleaning?

Mrs. **Carson**. If you live in the outlying rural areas, it is very beneficial. But we live in Beaverton on the Tigay border and most of the picking and crops are clear out in the Banks area and it is almost 30 miles from my home.

So for people that live out there, they benefit from it. And when I was a coordinator of Gleaners, we were having some problems with having cut-backs in receiving the food programs. We had received at one time day-old bread from the bakeries. We had received butter, cheese, the commodities, and my last year on Gleaners there was a cut-back and we were not, we were unable to receive those.

That was one reason why I was in Gleaners, was not just to get the produce, but to get the commodities as well. The produce, it doesn't pay for me to be in Gleaners, because we have an old car and it used a lot of gas. And when I have to go from Beaverton all the way out to Banks just to pick enough vegetables to put up to last my family a month, I can't justify that. I have to pay for day care, gas——

Mr. HALL. Are there any organizations here in Beaverton, like churches, that are going out to farmers' fields and bringing the produce in?

Mrs. CARSON. No.

Mr. HALL. Nothing is organized here?

Mrs. CARSON. No.

Mr. HALL. OK.

Mrs. CARSON. Not that I know of.

Mr. HALL. Mrs. Baez, you participated in the WIC Program.

Mrs. BAEZ. Yes.

Mr. HALL. How did you find out about the WIC Program?

Mrs. BAEZ. From the nurse when I was receiving prenatal care at a clinic.

Mr. HALL. During prenatal care?

Mrs. BAEZ. Yes.

Mr. HALL. So they told you about it?

Mrs. BAEZ. Yes.

Mr. HALL. What was your experience with the program? Was it beneficial to you? Did you like it?

Mrs. BAEZ. Yes, but I think they should make some changes, too, because when applying for enrollment every patient has to take an iron test; if your child is high in iron he/she will not qualify for it, therefore not able to receive any benefits from the WIC Program.

Mr. HALL. Say that again and speak right into that microphone, will you please?

Mrs. BAEZ. Yes, I think they should make some changes in the program. I was receiving help for one of my daughters, but the week I took her for the test her iron level was high and they took her out of the program.

Mr. AuCOIN. Will the chairman yield to me?

Mr. HALL. Of course.

Mr. AuCOIN. Are you describing a test that was conducted on your child?

Mrs. BAEZ. Yes.

Mr. AuCOIN. Are you saying that because the test this one week indicated that the iron in your child's body was at a good level that you were disqualified from the WIC Program?

Mrs. BAEZ. Yes.

Mr. AuCOIN. And all children are tested in this manner?

Mrs. BAEZ. Yes, everybody.

Mr. AuCOIN. So if 1 week their iron is at good levels then it is tough luck about staying in the program; right?

Mrs. BAEZ. Yes.

Mr. HALL. I know the members would like to ask some questions. We will start with Mr. AuCoin and go to Mr. Bustamante and Mr. Espy.

Mr. AuCoin.

Mr. AUCOIN. Thank you, Mr. Chairman.

I think that last response on the WIC Program is particularly helpful. I appreciate you explaining it the way you did. I don't think many people understand that that is how the WIC Program is operated.

Mrs. BAEZ. Yes.

Mr. AUCOIN. It is not my idea of a good way to proceed, to say suddenly if the child has enough iron in his body, therefore, bye-bye, come back when it drops down to an unacceptable level. That is not my idea of a good way to take care of children.

I was unaware of that.

Mr. HALL. Could I interrupt?

Mr. AUCOIN. Certainly.

Mr. HALL. I don't know if you are aware of this, but in your paper today, and in the last couple days there has been a significant amount of press on problems in the WIC Program. Actually it was the Select Committee on Hunger that released the first report on the cut-backs on WIC. We, in fact, were very involved in trying to get an increase because the WIC Program only serves between 50 and 60 percent of the people that are eligible. They are at-risk mothers, infants and children, persons that have been determined by medical professionals to be malnourished and anemic. So they have been tested.

We have a problem that we have to deal with. We wanted to increase the WIC Program because it is one of our more successful programs. Now we find out in most States, even in Oregon, there has to be a cut-back in the WIC Program, because of the high rate of inflation—the costs of dairy products, cost of cereal, cost of orange juice is going up.

The Select Committee has been very involved in this problem and we will be very involved in trying to increase funding for the program. But that is a new wrinkle that has come up just in the last few days. I am sorry Les. I wanted to interject that.

Mr. AUCOIN. I appreciate your comments, Mr. Chairman.

In fact, I was going to say something about WIC as well. This is a program for children up to the age of 5 as I recall.

I think it is important to state for the record and for those who are listening and reading the record we are building—it is estimated for every dollar spent on WIC benefits to these children, $3 are saved from medical and other related expenses that would otherwise happen down the line later in their lives.

So it is a sound investment. It is a proven program and when I see cut-backs proposed for a program as basic to human well-being as WIC being cut and then people just back in Washington talking about $100 or $200 billion for a savings and loan bail out and moving it off budget and that is how they will be dealing with that problem.

I think something is fundamentally wrong in this country. These children in the meantime are being told, too bad, if your iron level is too high you are out of the program and the program itself is being cut.

Jerralynn, I want to ask you a question. I will try to ask one question for each witness.

As the demand for shelter and food assistance has increased in Washington County, has there been a corresponding rise of donations an support from the community to meet that growing need?

Ms. NESS. To some extent, yes.

On the homeless side, we have been able to expand our homeless shelter and open up one in collaboration with churches and that expanded our beds. Prior to that, we received 1 out of 4 homeless. We expanded our capacity, the numbers grew. We are still serving 1 out of 4.

In the area of hunger, I would say no. As we see this article, we are experiencing donor fatigue. The migrant crises we experienced 2 years ago really depleted the supplies, but the community came forth. This community still does not recognize the tremendous need that exists. It is hard to believe. We also have found that when people are educated or people have a first-hand experience with hunger and homelessness, the response is tremendous. It is really an effort that we need to make to connect more people up with the issues.

Mr. AUCOIN. Mrs. Carson, Jerralynn mentioned that 10,000 families in Washington County are in need of affordable housing today. How long did your family have to wait before it was able to get into the kind of rental situation that you described in your testimony? Did you have to wait a long time?

Mrs. CARSON. Well, we were fortunate. My husband and I were married in October and I became pregnant 6 months after we were married. We had my daughter at the time living in this small two bedroom apartment.

My husband's two boys came to live with us. The State stepped in and gave my husband custody. I had my first child. We were a family of six living in a tiny two-bedroom apartment.

My husband was making $7 an hour and we were paying $375 in rent, so the housing department was able to put us on the top of the list. We had been on for 5 years, and I do have a lot of friends who have been waiting up to 2 years. Up to 2 years, there is a very long waiting list.

Mr. AUCOIN. I was fascinated to listen to you describe how carefully you sat down and budget your expenses, including the food that you purchased each month to make it stretch.

I guess my question is, if you were one of those who was still in the 2-year waiting line for affordable housing and had to make up the $500 difference in rent that you said existed between the housing you were in and the comparable one nearby, what would you do today?

Mrs. CARSON. Well, there are some months like in April my husband got a raise, his first raise to $9.50 in March and that April 1 our rent went from $336 to $377. We got no food stamps for the month of April. And we were faced with that situation in April.

I am not proud to admit it, but we spent a total of $100 on food for the month of April. Our kids ate a lot of generic macaroni and cheese, a lot of hot dogs. I bought day-old bread where I could get 2 for 1, and it depleted our food supply.

I like to try and buy in bulk and stock up just in case of emergencies like that. In this past month in April, it depleted our supplies completely.

Mr. AuCoin. I would like to say that I think each of these witnesses are eloquent witnesses and are deservedly proud people. I think that taking the time to give voice in this personal way to the problems that exist for thousands of citizens in this country is also an act of real courage, too.

I think that you all are to be thanked for the contribution you are making.

One of you mentioned the word "shame." I think you were saying you did not feel ashamed. No one should feel shame. You are hard working, conscientious people trying to make your families survive and I am impressed with what you are telling this committee today and I think what we have here is a circumstance where people are underemployed, where the income from jobs do not meet the kinds of expenses that society has suddenly thrust on us and I think when Ronald Reagan made his first inaugural address and talked about heros of this country, I think he had a different group of people in mind when he talked about heroes, but I will tell you who I think the real heroes are. They are folks like you who struggle and work as hard as you do each and every month to meet these expenses and with the pride that you deservedly have.

I think I speak for all of my colleagues in saying that.

I just wanted to ask this question—again, it is a case of where we want to see the country go in, not just the county, but in this country.

I asked a nutritionist for information about what kind of things ought to be consumed over the course of a week for a healthy diet if it were designed to be balanced and healthy. They indicated that for a 3- to 6-year-old child, you would be talking about maybe 21 cups of milk, 14 slices of bread, 14 cups of fruit and vegetables, 10½ cups of grain or pasta for carbohydrates, 24½ ounces of protein, meat, cheese, eggs, so forth. Does that weekly list square with what you are able to do based on your income?

Mrs. Baez.

Mrs. Baez. No.

Mr. AuCoin. Mrs. Carson.

Mrs. Carson. The first week we get our food stamps, maybe.

Mr. AuCoin. The other 3 weeks?

Mrs. Carson. No.

Mr. AuCoin. Far short.

Ms. Stinson.

Ms. Stinson. As far as all that milk they say they should have, my kids don't have that much a month, because I can't afford it.

Mr. AuCoin. In 1 month?

Ms. Stinson. In 1 month.

Mr. AuCoin. Thank you, Mr. Chairman.

Thank you all very much.

Mr. Hall. Mr. Espy, do you have questions?

Mr. Espy. Thank you, Mr. Chairman. I will be brief with mine.

I certainly share Les' observation that, too, in my opinion, I think it can be said that you are victims of prosperity. The cost of living, increasing as it has, the cost of housing, and the cost of food and there is no corresponding increase as far as I can tell in salaries. So you have done well, but we need to help you to do better.

I just want to ask Ms. Ness, first of all, you noted in your testimony that many low-income families are forced to make a choice between paying for shelter or to eat and I just want to ask you, the House Agricultural Committee recently approved the food stamp section of the 1990 farm bill and the bill increases the excess shelter deduction to $300 a month in fiscal year 1993, which is a way off. And, thereafter, it eliminates the cap entirely.

To what extent do you think this change will be effective in easing the heat or eat dilemma that many of your clients face?

Ms. NESS. I think that any improvement is going to make a difference, but that is so far from what we need to make a real difference in this community.

When I look at what people are paying for rents, they are going to be forced with those decisions. If our shelter costs continue to rise at 15 percent a year that won't recognize that in the year 1993. So we have a ways to go.

But like I say, every step gets us somewhere closer.

Mr. ESPY. Mrs. Carson, when you pick up your food stamps, is there any instruction in nutritional education as a condition for receiving stamps? Is there any effort at all?

Mrs. CARSON. The only thing we receive is on the back of each booklet. It states what you can and cannot buy.

Mr. ESPY. Not how to use what you have.

Mrs. CARSON. We have been on food stamps for almost the entire time we have been married. I have never received any nutritional education.

Mr. ESPY. Mr. Chairman, I hear this all over and I think our committee needs to work on this area as well, because, as you know, the extension programs have fallen under the budget axe and we have less out-reach to communicate to teach them how to use what we have. We have to increase what we have but we have to be sure that we can use it in a good way.

Ms. Stinson, let me ask you, and I am only asking because I have been asked each and every time this comes up so I want to get this out of the way.

Before I became a Member of Congress, in my former life I was a lawyer for the legal services, and I can't tell you how many men that we put in jail because they didn't take care of their children, how many fathers who wanted to be men but we try to tell them any boy can make a baby but only a man can take care of a family. So we put them in jail.

I want to ask you, you are the only single mother represented on the panel so I want to ask you. As a mother with four sons, have you tried to receive help from the father of these children?

Ms. STINSON. Yes, I have. My family—my children's father is back East. I am the only one on the West Coast, my sons and I. I have been trying for years but I guess because we are so far away it gets lost somewhere between East and West. I don't know what happens, but I have been trying—I have been here nine years. I have been trying for about 9 years.

Mr. Espy. He is back East?

Ms. Stinson. Yes.

Mr. Espy. We do have, you know, a lot of actions that we initiated in Mississippi having to do with URESA, Uniform Reciprocal Enforcement Support Act, where you sue him here and they transfer the papers there and he goes to jail there and he sends the money here. It is hard and bureaucratic, but sometimes it works.

I would love to work with you to make sure that we can be helpful to you.

Ms. Stinson. Just a couple months ago, I was down to support division and they, he said we are doing this and that and that was all I heard.

Mr. Espy. I understand.

Thank you, Mr. Chairman.

Mr. Hall. Thank you, Mr. Espy.

Mr. Bustamante.

Mr. Bustamante. Thank you, Mr. Chairman.

Ms. Ness, let me ask you, on the food bank, who provides food for that bank?

Ms. Ness. Local donors. Safeway is a big donor. Oregon Food Bank receives food for the whole State and distributes to us, and USDA commodities.

Mr. Bustamante. So you provided food for how many people last year?

Ms. Ness. Last year, 74,000 emergency food needs were responded to. That is not 74,000 different people, some of them received twice, maybe three times.

Mr. Bustamante. The reason I ask, Mr. Chairman, in the area that I represent and also an additional area—I represent nine counties—but we do try to get involved with the grocers, with the different people that donate to our food bank, because last year we provided 150,000 families with food assistance.

I will be in Laredo, TX, tomorrow at about 11 o'clock. I am meeting with AG about the growers because they want to expand their functions in trying to provide some of the food for the food bank.

So we have similar needs in our area. Per capita, income is about $5,000 in my district, so you can understand some of the problems.

Ms. Ness. Absolutely.

Mr. Bustamante. Housing is a real, real problem in many of our areas.

Let me ask Mrs. Carson, I can understand your concern and we must do something about bringing or phasing in a program where when the income raises at least allow time to settle some of their budget difficulties. It is difficult to see somebody get a $1 or $2 raise and lose more on food stamps and assistance programs than we provide.

How long should it take for you to phase in from a level where you are at to a different level? Do you think there ought to be a 3 month, 6 month, 1 year phase in?

Mrs. Carson. For my family, three months—what I had done is I buy a budget book, six column book and we keep a very meticulous budget each month. When he first got the job, I sat down and wrote out a 6-month budget for ourselves, what we can pay what months so we could get out of the hole. I included in that food stamps and with our rent being low.

In March I had increased it each month. I didn't realize food stamps and housing wouldn't allow us another month and a 3-month period of time would be all we would have needed to get out.

For some families they may need 6, but our family would be 3. Our budget for the last 3 months have been totally screwed up. We have had to cut back on food to pay off bills. We can't get on the equal pay payment like she can because in order to get on the equal pay plan you have to have a current heating bill. Our gas bill was almost $200 this past winter during the 3 coldest months and we—our bill is on a payment plan and until that gets caught up, we can't go on the equal pay plan. We had planned to get caught up by now and now we are not.

Mr. **Bustamante**. Let me ask you what effect will this child care legislation have? What effect will it have in Washington County and what percentage of the families will be able to use that assistance we have enacted?

Ms. **Ness**. I am sorry. I will not be able to answer specifically. I think the child care bill that passed will have a very substantial impact, though. I can't talk about the percentage of families, but——

Mr. **Bustamante**. These three young women would, of course, be helped by the bill.

Ms. **Ness**. Yes.

Mr. **Bustamante**. Most of the people in this area probably.

Ms. **Ness**. Yes.

Mr. **Bustamante**. With that, I will end my questions, Mr. Chairman, but the observations I made over the last 10 years is that we have been given a story and a perception at the national level that there is no new taxes but there have been user fees on. User fees are one thing that impacts people.

In a county such as yours here, affluent as you are, most people pay through the nose in user fees, whether it is gasoline, whether it is sin taxes or other user fees in this area. That is one thing I would hope that your leaders in this area, the social services, would bring to the attention of the area.

You are talking about income taxes, but the income taxes will rise a little maybe but the user fees for the working people of America really impact tremendously to a tune of $400 or $500 a year in things that you purchase, in gasoline purchases and other things.

We are going to have a tough budget year this year, of course. And I hope the people will react to user fees because it is something that impacts on working Americans.

Thank you.

Mr. **Hall**. We want to thank all of our witnesses.

I think Mr. AuCoin speaks for all of us when he speaks about you in very glowing terms, the way you have come and the way you have testified. You have given us some real practical knowledge of some of the problems that you are encountering and we suspect people like yourself are encountering across the country.

Thank you very much for coming.

Mr. AuCoin. Thank you.

Mr. Hall. I would like to introduce our next panel, Mr. William Street, Mr. Kevin Concannon, and Mr. Douglas Rogers. Mr. Street is the director of Research and Education for the International Wood Workers of America. He was formerly a labor market economist for the Oregon Employment Division where he conducted labor market analysis for eight counties. I would add that he has conducted extensive research on the problems of the working poor.

Mr. Concannon is the Director of the Oregon Department of Human Services, a position he has held since September 1987. In this capacity, he oversees the administration of public assistance services, including the AFDC, Food Stamp, and Medicaid Programs.

Prior to his appointment to this post, Mr. Concannon worked in the area of mental health services, both here in Oregon and in the State of Maine.

Mr. Doug Rogers was instrumental in the creation of the Oregon Task Force on Hunger and presently serves as a member of this organization. He has also been the director of Snow-CAP, a church-sponsored community service organization, for the past 9 years. He is the past president of the Interagency Food Bank and has been a member of the Food Bank Board since 1982. Mr. Rogers is one of 10 recipients of the 1989 Pillsbury's Best Against Hunger Award.

Gentlemen, it is a pleasure to have you with us.

Mr. Street, we will start with you.

STATEMENT OF WILLIAM V. STREET, DIRECTOR, RESEARCH AND EDUCATION, INTERNATIONAL WOOD WORKERS OF AMERICA, USA

Mr. Street. Meeting here today in the Bethel Congressional Church there is a real temptation to go into confession and a temptation to talk about both sin taxes and to be guilty of preaching to the choir. Hopefully, I will be able to avoid those sins.

We meet here today in the midst of the longest economic expansion since World War II. There are those who if this expansion could be characterized in human terms would call this the golden years of the economic expansion. There are others of us who view it as rapidly-approaching senility.

The economic expansion, be it poised to continue for several years or approaching its end either way provides us a unique opportunity to examine chronic hunger in Washington County because we have a situation where it will probably not get much better than this for sometime to come.

As you have already pointed out, Washington County is arguably the most affluent county in Oregon. Since the last economic contraction, employment has increased by 23 percent, average income increased by 50 percent, and the unemployment rate for last month was approximately 4.1 percent compared to a U.S. unemployment rate of about 5.4 percent.

While time does not permit a detailed discussion of the structural economic changes contributing to the fragmentation and segmentation of the national labor market, there is sufficient time, I believe, to verbally talk about some of the symptoms of these changes unique to Washington County.

I think there are two caveats that need to be understood. First is that to talk about a Washington County economy is impossible to do. There is no such thing. There is not even an Oregon economy or a western economy and we could argue whether there is even a national economy. So, as I talk about Washington County in the situation here, please don't infer that I am implying there is such a thing as a Washington County economy, because there simply is not.

In fact, the consequences that I am about to speak of are not particularly unique to Washington County. To the contrary. They are simply local manifestations of changes in the national economic system that are just easier to see here and they are easier to see because of the prosperity of Washington County. For example, in addition to all the other things I have talked about in terms of all the numbers, you have a situation where if you could be on a airplane looking at Highway 26 leaving Portland at about 5 o'clock in the evening you would see bumper to bumper cars returning to Washington County bringing with them sizeable pay roll from the Portland metropolitan area.

However, once we start looking at the—and disaggregating these numbers, we see, as Representative AuCoin spoke to a very separate society in Washington County and what makes it unique, I believe, is that unlike urban areas where you can see it geographically, you can see it rationally and see it by certain age groups. In Washington County it does not consist disproportionately in any one of those areas, which makes it truly invisible.

In terms of the employment situation, as I said, employment grew 23 percent in the last 10 years. If we look at manufacturing jobs, paying an average of $28,000 a year in Washington County, we see that manufacturing jobs declined by 6 percent over the past 8 years.

If we look within a subset of those manufacturing jobs and look to the Silicone Forest, to the electronic instrument industry, which has an average pay last year of $30,000 per year, we see that over the past 8 years those jobs have declined by 42 percent.

On the other hand, if we look at the trade sector with an average income of approximately $17,000 per year, we see those jobs increase by 35 percent and service sector jobs with a similar average income increasing by 70 percent. So what you have in essence is this bipolarization of the labor market. You have the decline in the manufacturing base, which is traditionally the higher paying jobs and a dramatic increase in the service sector and the trade sector and in the higher wage portions of each of those sectors that have substantially lower wages.

It wasn't too long ago in Oregon and in Washington County, it was relatively easy for an individual to graduate from high school, in many instances simply walk across the street into the local lumber mill, which hopefully my union had a contract with, and you could expect to every year after the first year, and you established seniority to have wages that would keep pace or exceed inflation, you would be on line to an internal career track that as you gained seniority, you would be promoted up and get wage increases such that a single wage earner could support a family and could afford to buy a house and could avoid the situation of being dependent on supplemental emergency food assistance.

Such is no longer the case. An employee working 20 years for a fast food chain or a hotel or motel chain has no more seniority, has not necessarily higher wages than they would be in year one. What has happened is in the labor market we have broken apart the internal career paths in many of these service and trade sector occupations and to a limited extent in some of the smaller manufacturing activity.

What this does, of course, is when you generate more lower-income jobs, you in turn contribute to a less equal distribution of income.

What I would like to do very quickly is show you for Washington County of some State of Oregon income tax data, some changes that have occurred in terms of income and distribution of income.

Between 1973, which was picked because it was the last year of an expansion in a business cycle two cycles ago, 1977, another near-peak period and 1988, the most recent data and also the most recent peak data available. We see that in 1977 we had approximately 17,000 income tax returns out of Washington County that had an adjusted gross of below $10,000. These are all in constant dollars, inflation-adjusted dollars.

After a 50-percent increase in income in Washington County, we see by 1988 that we just about doubled, just shy of 34,000 returns out of Washington County that have an adjusted gross below $10,000. So we have dramatically increased that bottom portion of the population and while it is not possible to say a return is a household, in Washington County you have a fairly strong correlation on that. So that many of these returns are, in fact, households.

What is important to note is from 1977 to 1988, the rate of growth in the numbers of these folks is dramatically greater than the rate of growth in the 1973 to 1977 period. So, there is something occurring in this economic expansion that is historically unique to prior economic expansion.

I have included exemptions here just to show I was not cheating on the terms.

If we look at the top fifth and the bottom fifth of the population, once again, in inflation-adjusted dollars, in 1973 we see the bottom fifth of the Washington County population had an average adjusted gross of $5,300. During that same year, the top fifth of the population had adjusted gross income of $2,700. By 1988, the bottom fifth has grown to $5,900, so, in fact, they are $600 per year better off than they were in 1973, but relative to the top, which grew to $42,000, you can see that the wealth in Washington County is clearly not being distributed equally.

Another way to look at this same data is in these proportional pie charts. This chart represents all the adjusted gross income in Washington County in 1973; this in 1988; and the sizes are proportional so that it shows you the growth in aggregate wealth.

If we look at the bottom fifth of the population, they control, they had access to 3 percent of Washington County's wealth in 1973—income, adjusted-gross income, excuse me.

By 1988, if it is possible to imagine that it declined to 2 percent. Now, what I think—these numbers are radically different than if you look at the Nation. The Nation's income is far more equitably distributed than Washington County and the reason I think that is, is that Washington County is partially a bedroom community to the Portland metropolitan area for the wealthiest. This is the place to live if you can afford it, which, excuse the distribution, but it also makes these folks more invisible. So I think it is relevant to the theme that you are seeking answers for today.

To the top fifth, we see the top fifth of the population controlled 49 percent of the wealth in 1973 and by 1988 picked up 53 percent of the wealth. What is interesting in this, in addition to that, is that the losses for the most part are in the middle. The third group—I have divided it in fifths—they had 17 percent of the wealth in 1973, declined to 14 percent of the wealth in 1988.

In short, what is happening is we are seeing a break up of the middle. Some of those folks escape to the upper portion, but a much larger group fall to the lower portion.

So, in conclusion, the number of lower paid poor households in Washington County is on the rise as are the number of richer households. In the face of rapid economic expansion, in the midst of one of the State's most prosperous suburban community, the need for emergency services, as you heard from the first panel, and need for adequate food stuff to prevent hunger is increasing.

If the law say fair market place is allowed to continue to allocate goods and services to the same degree that it has since 1980, it is likely that this trend of market fragmentation and concentration of income is likely to continue to occur.

The implications are as I have just pointed out, that the middle class will continue to decline.

These low-income workers when added to the more traditional image of poor migrant workers, low-income elderly and high school drop-outs combine to present Washington County with a major social problem that cannot be solved at the local level.

Thank you.

[The prepared statement of Mr. Street appears at the conclusion of the hearing, see p. 73.]

Mr. Hall. Mr. Concannon.

STATEMENT OF KEVIN CONCANNON, DIRECTOR, OREGON DEPARTMENT OF HUMAN SERVICES

Mr. Concannon. Thank you, Congressman Hall.

Congressmen Bustamante and Espy, and our own AuCoin, on behalf of the Oregon government, I would like to thank you and the committee for being here today, both for the subject area but also your presence and the effort you have made to come out and hear from people from our State.

I am going to try to skip over some parts of my written testimony in light of the time facing the committee. Let me start by saying that we see three major contributing factors to the paradox of hunger in our State. One, the epitaph of the 1980s; considerable Federal cut-backs in human services and health and human service programs, including the food programs; two, gaps in Federal programs that remain.

Congressman AuCoin drew the committee's and the public's attention with one of the prior witnesses to the WIC Program. WIC, as an example, serves about 50,000 Oregon individuals. That is only half, even under current funding of the persons eligible and, as Les AuCoin noted, our concerns are heightened when we hear of proposed cut-backs at the Federal level in that program. So, gaps in existing programs that work are a second contributing factor.

The third is housing. Training-as-you-go, it may seem we have heard from individual families earlier before the committee that one of the few areas, whether it is visible or not as a practical matter is one of the few areas of choice that poor families have. They cut-back on their food program, they cut back on the runs to the supper market because they are forced to pay increasing housing costs.

I would say this, in this area of our State, a fourth area that we are particularly made more aware of at this time of year is the large increase of migrant workers who come from as far away as Texas, who come from Central America, from Mexico and further south, particularly in light of the worsening economic conditions in those countries and we see a larger influx of those persons heading our way.

From 1980 to 1988, wages in our State increased by 34 percent, yet rent for that same period climbed nearly 47 percent. And it's our strong belief from anecdotal data that when the data comes in for 1989 and 1990, we will see this trend has continued to worsen for families.

Oregon's housing shortage has not bottomed out. Under provisions of the HUD and Farmers Home programs, owners of low-income housing have the opportunity to remove their units from the subsidized market.

We have received evidence to suggest that the Oregon Housing Agency's reports that as many as 4,000 low-income housing units in Oregon could be lost before the end of 1991 through the process under these programs where individual owners are withdrawing from the subsidized housing market.

This contrasted with the fact that during the past decade, only 803 low-income housing projects were developed across the State—803 units, not projects.

Poverty is the only boundary that keeps people trapped from being able to adequately provide for their diet. If the help is from food stamps, remember that food stamps alone do not provide sufficient purchasing power to meet monthly nutritional needs when lower income or resources are not available.

We are very encouraged that the Congress is acting on the reauthorization of the food stamp bill; and as was mentioned by one of the Congressmen earlier, I think to the extent that you can expand the access to that program for poor people we do tremendous service to them and to all of our citizens in the State.

Increasing numbers of Oregonians seek help from the Emergency Food Assistance Program. There were 343,000 such people in 1986. Their numbers swelled to more than 400,000 in 1989.

In the 1980's, Oregonians' delivery of food commodities for this program dropped from a high of 14 million pounds to the current level that is just in excess of 2 million pounds. Unfortunately, key decision-makers at the Federal level would cut this even further.

Under legislation reauthorizing the program, Oregon would lose 1.6 million pounds of high protein commodities, beans, peanut butter, vegetable and fruit juices. The total left for our State, 2½ million pounds.

If there is a crisis of such dimension that it forces us to consider cutting this critical food program for the 1990's, should not this be the time that we look at our Federal agricultural subsidies policies?

This is the decade that we would suggest our priorities should change. We think it's time to take money now spent to support the tobacco industry and to subsidize the growth of tobacco and offer it to farmers who would grow food for poor people.

For some, help does not come from more than emergency food boxes, whatever they may contain. But our AFDC Program in our State has its own inadequacy. We are a State that provides a cost-of-living increase with AFDC; but again, I think as the committee heard so eloquently from the testimony of witnesses in the previous panel, increasingly the housing cost of individual poor people really eats up and is the "Pacman" of their particular individual budgets.

We are engaging in a discussion in this particular county right now, and in this area of the State, that is very concerned about the economic dislocation of the timber industry, both of great concern to Congressman AuCoin and other members of our delegation, and which affects the members represented by Mr. Street but really has a profound impact on the economy of our State.

We are very concerned about that. We are concerned about the growing erosion of higher paying jobs in the timber industry.

We are concerned that our unemployment, our ability to provide unemployment insurance is limited, even if the worst happens, because as the committee realizes, I believe, the ability of a State to extend unemployment insurance is tied to a threshold level of unemployment.

And even if we get a very heavy penetration in a sub-state area or industry like the timber industry, we are concerned about our current inability to extend unemployment insurance benefits.

Moving quickly along, I would say that we are concerned about the 1980's, the legacy left to us. It's unfortunately a decade that we happily say goodbye to in the sense that more women and more female-headed households and more children ended up being poor in our country, and Oregon was not immune to that.

The 1980's was marked by a gradual Federal retrenchment in our commitment to retrain displaced workers. Oregon received $37½ million for JTPA in 1986, for example; last year it was $29.8 million at a time when, as Mr. Street's data points out, we are witnessing major conversions of some of our industries.

There are 400,000 economically disadvantaged people in our State. The JTPA Program as currently funded has the capacity to serve 23,000 or a mere 5 percent of those numbers.

As the Congress looks ahead to the rest of this term, we would urge you to reconsider, and we strongly support your efforts in the reauthorization of the Food Stamp Program and its expansion. We think that the JTPA Program needs to be increased, particularly its ability to deal with dislocated workers.

We think it is urgent that the Congress consider opportunities for States to expand the application of unemployment insurance benefits for severely impacted industries within State boundaries, even when the State unemployment level does not reach a certain threshold.

We think the Food Commodity Program really needs to be considerably expanded rather than retrenched. We think the WIC Program needs to be expanded, I think as Les AuCoin mentioned.

We think your committee would do well to look at the School Breakfast Program. We think it's one of the most beneficial and effective programs that the Federal Government provides, but I can say that as strange as it may seem, in Oregon it's not widely used.

In part that is true because it reflects the historic tension between schools and providing for individuals in what are viewed as the functions and responsibilities of families.

But we heard from one of these parents or several of the parents earlier today about their children wanting a second bowl of cereal. That is the very effort, I think as you all appreciate, the School Breakfast Program addresses.

I think the Congress, if it looked at ways to make that program more attractive to schools, I think we would make better, more widespread use of a very effective program we already have.

In this country, I need to speak to the SLIAG Program or the program that the Congress has financed to help States provide services to legalized immigrants. I personally think while the program has had its problems in some respects, it has been a very important program for our State to help in our case about 35,000 legalized families who were legalized in the State through the IRCA legislation.

The Congress took a very important step in the Family Support Act in 1988. It's a very promising program as relates to the families, again the people we heard on the earlier panel.

But one area I think that has been severely neglected is title II of the act, which limits the amount of money for States to provide retraining and removal of barriers for individual persons or families to get back into the job market.

It seems to me that that needs to be reexamined because it would help some of the individuals we heard here earlier today to both get extended medical benefits but to have the barriers to their successful employment removed.

Finally, I would say if I could say a word, strange as it may seem, it wouldn't be food; it would be housing. I think we cannot underestimate the connection between the country's inattention to public housing for poor people in this last decade and the way it shows up on the plate of every low-income family.

Thank you very much.

[The prepared statement of Mr. Concannon appears at the conclusion of the hearing, see p. 89.]

Mr. HALL. Mr. Rogers.

STATEMENT OF R. DOUGLAS ROGERS, EXECUTIVE DIRECTOR, SNOW-CAP, PORTLAND, OR

Mr. Rogers. Thank you for being here today. I am Doug Rogers, director of a program called Snow-CAP. I am here primarily as a member of the Legislative Task Force on Hunger, of which I was one of the volunteers to help bring it about.

I think that the most important thing critically that we have to face is helping our community to understand the existence of this problem in the midst of plenty and that it's not a problem that should be here. It does not have to be here.

The public is aware vaguely that there is something wrong, but they don't know how or why, and they certainly don't have a sense of its dimensions. Your presence is terribly important in achieving that goal of a better understanding.

I worked with volunteers, the best people in the world, I feel, for many years now and have had the pleasure of trying to bring together services in our community to better serve people.

We have a very caring community that goes out of its way to help its neighbors. That is the silver lining in that dark cloud.

We have a lot of wonderful people who do help their neighbors and care a lot. The sad thing is that despite all these efforts, we have seen dramatic rises in hunger in Oregon, and the levels in general are approximately four-fold what they should be historically speaking.

In the community that I serve, East Multnomah County, the other side of the metropolitan area, we served last year one family in every ten. One family in 10 in East Multnomah County. Those people were desperate enough to come and ask for emergency food.

We have done a good job in plugging the holes in the dike, if you will, Truly no child in Oregon needs to go to bed hungry, but we have yet to get beyond the bottom level of ensuring a minimum of decency in our community.

Poverty persists, and what relief we can offer is the most minimum necessary to assure barest survival.

To get this, they must beg, publicly from strangers for help. The emergency food system is not an entitlement system. It's essentially a system of traditional charities. When you ask for help from a charity, you are begging for help.

These are very harsh words. But that is how the client feels. It's a harsh experience for them.

We must go beyond begging if our society, if our community is to do justice to its citizens in a time of need.

The Oregon Task Force on Hunger was organized to address these very questions. Volunteers came together in the Fall of 1988 and began the process that culminated in the passage of a bill by the legislature to establish a task force to develop recommendations to better meet the needs of the hungry and to examine the following: (1) The current dimensions of hunger in Oregon; (2) The role of State and local government in food and nutrition programs; (3) The role of State and local government in coordinating emergency hunger, food and nutrition efforts in crisis settings; and (4) Opportunities for public and private partnerships in the area of food and nutrition, they are also of concern.

At this point, we are still very much in the study stages. We have not established recommendations yet. What we know is the problem of hunger in Oregon is the same pretty much as across the country.

As Bill indicated, the economy here is a reflection of the national economy. We are no different here.

The problems that you have seen across the country we see here, and you can basically identify what they are that have causes and that is the cause of hunger, the direct cutbacks in government funded food programs, food stamps, et cetera, or lack of modification of these programs to assure their adequacy in the midst of a changing economy.

The shift from the manufacturing economy in Oregon here, as Bill talked about, to a service of the retail trade sector dominated. It's happened here in Oregon as it has across the country.

The failure to adjust the minimum wage since 1981, although our State has a minimum wage established of $4.25 in our State legislature, it's 25 percent below what it should be i it were to have been adjusted properly.

The continued instability of the two-parent family. As church people, we're very concerned about that. The integrity of the family is what is most important to us. We see that continuing to happen.

Single parent families are predominant people in need. Failure of our local government at State, county and city levels, to respond to this dramatic increase in need and to assume a responsibility for the restoration of support previously provided by the Federal Government, that shift of responsibility that was supposed to have happened in the last 10 years from the Federal to State government.

I would like to say a few words about that last item because the failure of local government to assume a responsibility for this problem is probably our greatest concern.

An example of this was even when the Task Force was trying to get established, the legislature failed to set aside money for it.

We then asked the emergency board for dollars. They also failed to provide any dollars. The dollars the State of Oregon, the Legislative Task Force is using to study the problem is Federal dollars.

We shifted money, $30,000, from the food and nutrition program. We also found that the level of understanding of this is such that most people don't believe this is a problem worthy of their concern. They know it's there. They see food drives and hear talk about the homeless and hungry, but it's like the rain. It's there, but you cannot do anything about it particularly.

We clearly have to establish through careful study and documentation, similar to what has been done in other States—in Washington State next door a very extensive study was done documenting the extent of hunger in Washington State.

We need to do that here. But we will not do it this year because we don't have the money.

One of the reasons, lessons I have learned from this severity to recognize it will take several years of working with our community before any significant changes are going to come about.

Thus it becomes essential that the Federal Government continue to play the major role—the Federal Government is the major actor in the Food Stamp Program. That is this country's hunger program. The States really provide a very minimal amount through their matching effort, but we have never really gone beyond a minimal level.

It's fine to talk about Federal-local participation in serving our citizens, but too often it appears the Federal Government is abandoning its responsibilities to the local citizens.

The sad thing is that the local governments have not picked up the ball. The local governments do not contribute to the local food banks. One city in this State does; that is down in Lane County. Other than that, there is nothing coming from Multnomah County; I don't believe Washington County contributes anything.

The City of Salem contributes some, but most cities don't. The tragedy of all this, of course, is that this doesn't have to be. Ten years ago, we didn't have this problem. We have it today. We are responsible. We need to do something about it.

Thank you.

[The prepared statement of Mr. Rogers appears at the conclusion of the hearing, see p. 93.]

Mr. Hall. It's a real paradox that we are talking about here today; isn't it? Greatest country in the world. This is the No. 1 problem we can lick. We could solve this problem, but in fact, we are not.

Is there in the State of Oregon or in Washington County a group that gets together and has made it their commitment to find out (1) what the problem in Oregon is, where the hungry and homeless people are; and (2) decides how to use all the resources that are coming from the State, Federal, and local governments, churches, et cetera, and making a commitment that we are going to end hunger in Washington County?

Is there a group doing that?

Mr. Rogers. Maybe I can respond to that. That is the task really that I feel the members of the Hunger Task Force really have set for themselves, to clearly define that need and help the community to understand the extent of that need and help the community understand how that need impacts their lives, that what happens to the life of the child down the street will have an impact on the lives of their own family.

These young families having troubles, they are not going to disappear on some boat into the middle of the ocean. They will be staying here. The average length of residency in Oregon we have found of families coming for emergency food boxes is 17 years. These are not outsiders. They are local folks. They are people who want to stay here.

Oregonians would be far better off going to Washington State. They get an immediate increase of benefit levels of about 20 percent. They are fools to stay in Oregon in that sense. But they stay here because this is their home. This is where they have grown up. This is where they feel comfortable.

They are going to stay here and hopefully the task force will be able to begin to address that.

There are other groups that have been cooperating together. The Oregon Food Bank, in particular, has taken a leadership role for many years in trying to address these issues.

The difficulty is that we have got to have an across-the-board community effort to make this a truly public-private participation of all groups to address that need. We are still a long ways from achieving that.

Mr. Hall. Mr. AuCoin.

Mr. AuCoin. Thank you, Mr. Chairman.

I come to this issue as I do on a lot of other issues with the idea of trying to deal with the symptoms of a problem but also trying to get under those symptoms into causes.

You have all given great testimony. But there is something Mr. Street said in his prepared statement that I think really goes at the question of causes.

On page 5 of his testimony he says, and this is important for every Oregonian and people all over the country to hear, getting a job now no longer assures economic stability, security, or even the ability to get out of debt, or most tragically of all, to escape poverty or the periodic requirement for public or community assistance.

A job doesn't provide an escape from those things any more. I think we have to ask ourselves why. I think it's important, of course, to provide ample funds for WIC, ample emergency food programs and the like, but as I sat here listening to the people who are experiencing day in and day out this problem and who have jobs or are heads of households who have jobs but the income is not stretching far enough, it goes back to the point Mr. Street is making, and that is jobs are not enough today to escape poverty or escape the need for assistance.

I think what our committee ought to be thinking about and addressing is not only that relief for those caught by this phenomenon but to deal with the phenomenon.

I think Oregonians and I would hope my colleagues from other parts of the country would understand, that as they were sitting here listening as I was to the testimony of the individuals who are dealing with this daily, I kept asking myself what is it that we can introduce into the economy that would provide higher wage jobs to keep pace with medical care child care, rents, housing, and so forth, so that hunger wouldn't be so much of a factor?

That is a tough thing to answer. I am no economic development genius, and few Oregonians are. It's difficult to think what you could—what you don't have now that you could introduce to raise that water level of income so that you could meet all these needs.

We don't have that answer. But I do know something we can answer. We can look at what we have in the way of jobs that meet those—or carry that water level, provide wages that enable families to have medical care, child care, and all the necessities and still put food on the table and fight like hell to ensure that nothing is done to take them away from us.

I hope my colleagues, without trying to lobby them, when the question of the timber controversy in the Pacific Northwest comes up, will understand that when we try to work to develop a compromise between protecting the habitat of the Northern Spotted Owl and timber jobs, which are paying $12.50 an hour, with productivity bonuses, full family medical insurance, and solid union-administered pension programs, when we are talking about losing 30,000 of these kinds of jobs, we are going to need your help.

We understand that we are going through an economic adjustment because there is a Spotted Owl that does need habitat protection, but an overzealous approach to this which simply does not take into account these jobs is going to leave 30,000 more Oregonians in the position of the three women who testified before us today.

It's estimated that is what the job loss will be. One of the problems I have had and I noticed in 16 years of serving in the Congress, that with all of our committees that neatly divide up the jurisdiction between this and that and this and that, we tend to think our problems in society are all compartmentalized, too, but they are not.

There is a direct connection between how we solve this. This is not a hearing on the forests, but how we solve this forest debate and how we deal with the problems of hunger and the ability of families to produce the income to avoid hunger.

I just hope that my colleague, our other colleagues, will keep in mind that connection. I hope Oregonians will, too. This is a major issue facing our region now.

Mr. Chairman, I appreciate the time.

Mr. **Hall**. Thank you.

Mr. Espy.

Mr. **Espy**. Thank you, Mr. Chairman.

I know the time is short, and I have just two quick questions. One just a statistical update for Mr. Street.

I appreciate your graphics where you outlined what I consider to be class distinctions in relative wage earning power. Have you done anything on the difference between female workers and male workers in Washington County, what they have earned?

Mr. **Street**. Unfortunately, as a result of part of a legacy of the 1980's, the statistical gathering of that data at the county level only occurs every 10 years, and we have just gone through that process. And about 2 years from now, we will have some results of that.

Mr. **Bustamante**. Did they fill out the long form?

Mr. **Street**. So I don't have any great detail other than to tell you that as far as labor force participation rates, Washington County has one of the highest female labor participation rates in Oregon.

Approximately 57 percent of the women of labor force age are in fact in the labor force, and what I do know about the internal composition of the county's largest employing industry, which is the electronic instrument sector, there is a very clear distinction between those jobs that are predominantly male, engineer, administrative, executive, and those jobs that are predominantly female, which are assembly, shipping, earning at or only slightly above the minimum wage.

The electronics industry is very polarized. That is our major employer.

Mr. **Espy**. Mr. Concannon, again, I don't know a lot about Oregon, but in Mississippi when you talk about housing, we have a very low vacancy rate in low-income housing complexes. I just cannot imagine it otherwise here.

Yet you report the potential loss of 4,000 low-income housing units before the end of next year?

Mr. CONCANNON. Correct.

Mr. ESPY. What is going to happen? What steps are being taken to prevent the loss of the units?

Mr. CONCANNON. Congressman, this is just likely to make a very bad situation worse because the vacancy rate in the major areas of the State is nearly down to the lowest it has been since people have tracked such data.

It reflects the good news of the economy is rebounding in certain areas, and the influx, in particular the southern coastal part of the State, of people from about—half whom come from the State of California and elsewhere. Unfortunately, they are occupying housing no longer then available for people up and down the income spectrum.

Our concerns on the potential loss of the subsidized housing is very real. They are choices that individual owners will be making that we do not believe we can legally prevent. But we are chagrined that the Department of Housing and Urban Development's ability to generate and support new units has been so emasculated over the past 10 years.

I just cannot—we heard it individually, most of us. We balance our checkbooks on how often we go to the supermarket and yet for some reason, we just have not been able to pierce through and get a firm commitment of new housing.

It's just getting worse and worse.

Mr. ESPY. Thank you.

Mr. HALL. Mr. Bustamante.

Mr. AUCOIN. Mr. Chairman, could I ask the gentleman to yield for a moment?

Mr. BUSTAMANTE. I will yield.

Mr. AUCOIN. I think this is a significant point to make. I understand we are going to have a housing bill before the House this year—Mr. Bustamante may know something I don't. He is shaking his head. Perhaps next year if not this year.

The phenomenon that you are talking about, Mr. Concannon is talking about, is that section 8 housing, which there were subsidies for construction of housing which was made available to people who qualified.

And those people who qualified paid a percentage of their monthly income as rent which enabled them to get into affordable, decent, safe, clean housing at a rate below the market rate—construction funds for that housing withered up in the 1980's. That is part of the legacy of the 1980's that he was referring to.

The problem is that the section 8 program that I have referred to is one in which in the previous decade or so, people who—developers who signed up for that program signed contracts that as I recall were about 20 year commitments, contractual commitments that they would get the subsidy if they constructed it and provided it for 20 years.

Those are now coming up. They are expiring. Those contracts are going to expire, and under the contact that housing can go up on the open market rates today.

Meanwhile in the 1980's, nothing has been done. We have been building missiles in the 1980's, not subsidized section 8 housing, so there is nothing in the pipeline to replace that when these contracts expire.

That is why we are going to have in Oregon alone 4,000 low-income housing units lost while we have only had 803 built in the last 10 years in the whole State of Oregon.

When the housing bill comes up, I think that is something we ought to address our attention to. I appreciate the extra time.

Mr. **Bustamante.** Thank you.

Mr. **Hall.** Mr. Bustamante.

Mr. **Bustamante.** I am not on the Banking Committee or housing task forces, but one of the things I hear from those people that are concerned about affordable housing, with the S&L debacle, it's cutting out some of the funding that was going toward affordable housing.

It's going to have a tremendous impact all over America, not only in Oregon or in South Texas or Mississippi or in Ohio, but in all areas of the country. It's going to be a real tough situation for affordable housing.

Mr. Concannon, let me say on the Federal participation, as we go through this economic adjustment, one of the things we did since 1979 in the last 10 years, our priorities were completely out of kilter. Certainly we needed it for common defense, but $300 billion; and we got into other areas, again the S&L crisis that we are confronted with.

But States all over this Nation have tremendous problems. The reason they have the problems is that in 1979, they were getting on the average $100 million in assistance from the Federal Government. That assistance has been cut to about 15 percent of what it used to be. So now you are having to fund other areas of your State government that were directly funded by the Federal Government.

This is causing tremendous problems, fight for funding, and the WIC Program and all these other programs will be in trouble, especially with sequestration come September.

I just make that as an observation.

Mr. **Hall.** I want to thank you, gentlemen. We didn't get through all the questions that we had planned for you. We would like to submit them to you in writing and ask you to send us written responses if you would, please.

We again thank you for your time and your insight. Thank you.

Mr. **AuCoin.** Mr. Chairman, staff tells me that the Housing Subcommittee has reported a bill out of subcommittee which would, among other things, set aside nearly $8 million to maintain housing units that are under contract.

Mr. **Hall.** I would like to call our final panel to the witness table: Ms. Winifred Nazarko and Ms. Anne Kelly Feeney.

For the past 2 years, Ms. Nazarko has served as the executive director of the Oregon Food Bank, which is a statewide system for the collection and distribution of food to needy people throughout Oregon and in Clark County, Washington. She is a former VISTA volunteer and executive director of a nonprofit employment service. She is also involved in the organization of shelters for women.

Ms. Feeney was appointed executive director of Loaves and Fishes in September 1988. In this role, she oversees the operation of both congregate and home-delivered meals services to seniors in a three-county area. She is the current president of the Oregon chapter of the American Society for Public Administration. She is the founder of the Association of Elected Women of Oregon and serves on the board of the Outreach Ministry of Oregon. She also served as the Multnomah County auditor from 1982 to 1988, evaluating the performance of human service programs.

I am very pleased to welcome you here this afternoon, and we thank you for the chance to listen to your testimony.

Ms. Nazarko.

STATEMENT OF WINIFRED NAZARKO, EXECUTIVE DIRECTOR, OREGON FOOD BANK

Ms. NAZARKO. Thank you.

I understand your time constraints so I will keep it brief. I will try to build on what other people have said and not repeat anything.

One of the things that you need to know about Oregon is that the state of food banking is at its zenith here. We have a system in this State that is nationally unique and that works very well for us.

We also have the good fortune of having a community that is very responsive. We have a population base of about 2.75 million people in this State, and a level of corporate and individual contribution of food in the State of over 6 million pounds. So you can see people chip in.

I have a friend who jokes about having to drive around with a carton in the trunk of her car because every event she goes to asks her for a can of food. That story is perhaps a slight exaggeration, but not a large one, as I'm sure the audience could tell you.

When people open up their Oregon newspapers in May, they will find a paper bag asking them to fill it with groceries and take it to their local First Interstate Bank for OFB. In November or December, when they turn on their radio, the radio broadcaster is asking them to make a food contribution at their local Safeway store to the Oregon Food Bank Network.

State employees are asked annually to conduct a statewide food drive. Member programs conduct local food drives. And in addition to food drives, we pursue and enjoy a very high level of corporate support.

We have done some very unique things in this State, things that other food banks are looking to as models. For instance, we brought the Northwest Association of Food Processors on in a partnership to address hunger in the State of Oregon, partly caused by USDA cutbacks. Those corporations and their suppliers of poly-film bags and cartons and their associated businesses that provided frozen storage have put together nearly 1 million pounds of donated frozen food for low-income residents of Oregon in the last year.

We now not only ask individuals and corporations to give what they can give, but we also spearhead and take responsibility for putting together coordinated projects where we pull together the various components that are necessary to put food in a form that is usable to people.

Now, having said what we do to get food, I will also say that we served nearly 400,000 unduplicated people in this State with emergency food boxes last year. This is nearly 15 percent of the State's population. Over 1 million meals were served in that same period at congregate meal sites.

What I need to tell you is that the community and the private sector are doing what they can do in this State. When I think ahead to what we are going to have to deal with, with the projected economic dislocation this community will face due to logging restrictions, I know that we are going to be in deep trouble. We have picked the easy apples off the tree. One of the things we know about this situation is that the Federal resources that come into this State to help us put together emergency food boxes that people need are crucial. TEFAP needs to be maintained in a form and at a level that makes it all workable.

I understand the Agriculture Committee has reported out the version of the Farm bill that incorporates the proposed Leland Bill changes. These would expand the shelter adjustment, to make food stamp benefit levels more realistic for people who are paying higher housing costs. The Leland Bill also calls for increase in purchase money going towards TEFAP commodities.

It is absolutely essential that the Senate side of that bill be amended in the same direction. I have to tell you, that as someone who feels responsible for making sure that people in this State have enough to eat, the fact that funding for the Leland Bill was not included in the Senate budget resolution alarms me.

TEFAP is an absolutely essential resource for this State. I think it is an essential resource for other States as well, but they are not necessarily in the same position to be able to understand the overall impact a reduction of that resource will have because it is not necessarily distributed in the same centralized way.

So I would urge your support on this particular issue, and thank you for the work that you have done. This is a very important group, and I appreciate Mr. AuCoin's initiative in becoming part of it.

Mr. HALL. Thank you.

[The prepared statement of Ms. Nazarko appears at the conclusion of the hearing, see p. 98.]

Mr. HALL. Ms. Feeney.

STATEMENT OF ANNE KELLY FEENEY, EXECUTIVE DIRECTOR, LOAVES AND FISHES CENTER, INC.

Ms. FEENEY. I also wish to thank you for the honor of representing the seniors in Washington County.

We at Loaves and Fishes serve 4,000 meals every day. In Washington County, we serve them at three centers and there are other centers that exist as well.

We have experienced an incredible growth in the last year, 10 percent a year for each of the last 3 years in Meals-on-Wheels. You probably well know that the Older Americans Act is now at a cutback rate for the first time this year. As a matter of fact, we have no COLA in the 20 years we have existed. That is something at the same time that we are experiencing growth and we expect it to have even more dramatic growth.

The problem that is particularly interesting to you about Washington County is that we have so many people here who retired thinking they were prepared for retirement but found through some kind of medical emergency or crisis that they are reduced to poverty for the first time in their lives.

In Washington County, only one-half of our participants are what you would consider poor in contrast to the city where we also serve, and at least 70 percent of our people there are poor. But here half of that half, 25 percent, are people who were never poor in their lives. But now for the first time they find that because of their other increasing costs, they are poor.

Many of them are unwilling to utilize these services and in fact they do use the food bank to a great degree, but luckily, the Older Americans Act has kept a means test out of it so they can keep their dignity by coming to a senior center and eat and not have to show what their income is. But we know that many more still are not accessing the service. Anything you can do to outreach to them we would support.

I wanted to make a couple brief recommendations to you for the future, to think about the possibility of introducing a means test to the Meals-on-Wheels Program because so many of those people are already case managed and it would not be difficult to administer nor have quite the same dignity problem. That is an area where we will experience so very, very much growth.

I would recommend that you keep the Older Americans Act funding senior centers where the socialization and the healthy coming out and gathering together happens and there not make a means test.

I would really encourage you to think about funding Meals-on-Wheels in connection with medicaid, for example, particularly in the rest of the Nation which would be designed to keep people in their homes. That is a source we should look to to support Meals-on-Wheels, and again those limited Older Americans Act dollars can be kept in the senior centers.

We find that it is going to be more and more difficult to keep buildings and senior facilities alive. So we are going to desperately need that source of funding.

I would sum up by saying whatever you can do on medical insurance is key to stopping these crises that reduce people to poverty unexpectedly in their senior years.

Thanks again for the marvelous opportunity to represent them to you.

[The prepared statement of Ms. Feeney appears at the conclusion of the hearing, see p. 106.]

Mr. HALL. Thank you.

Yours is one of the few programs that distributes meals over the weekend.

Ms. FEENEY. Yes.

Mr. HALL. Over the weekend.

Ms. FEENEY. It is funded with dollars out of New York City's Meals-on-Wheels that started with 20 locations, and we were one of them and the only one in the Northwest, but we continue to develop that.

We have been fund-raising longer than most programs like us in the Nation. We are the first nonprofit like ourselves in the Nation from 20 years ago, and we are probably one of the biggest. So fund-raising is really what we are looking to to fund that kind of program.

Mr. **Hall**. How do you determine criteria in serving your senior citizens?

Ms. **Feeney**. They must be impaired in some way physically to keep them from coming to a center to receive Meals-on-Wheels. So we have very stringent requirements that they cannot come out of their apartment, can't travel, et cetera.

Mr. **Hall**. Sounds like a great program.

Ms. **Feeney**. We are very proud of it—4,000 meals a day.

Mr. **Hall**. Is that every weekend?

Ms. **Feeney**. Every weekend, on holidays, every weekend.

Mr. **Hall**. For the whole year?

Ms. **Feeney**. Yes. It is very much a tiny program now. We are not delivering any weekend meals in Washington County; it is only in the city. To qualify for that, they just have to be people with absolutely no relatives, no neighbors, no one caring for them.

Mr. **Hall**. We have a similar program in my district. Six years ago, Ponderosa, the big food restaurant group, gave me this 1,000-pound steer and, you know, I thought what am I going to do with it? I don't know a cow from a steer. But nevertheless, there is a 1,000 pounds of beef, and we started a program over the cold winter months, 3 months in January, February, March, and we fed senior citizens over the weekend because, as you know, many of the poor just don't get out. It is too cold.

Ms. **Feeney**. Their hunger doesn't end on Friday.

Mr. **Hall**. That is right.

We feed tens of thousands every year now. It is all donated by businesses. It is all free. We have a couple hundred volunteers and they take the meals right to the senior citizens. Then, every Saturday we have a big banquet and the ones that can come in do come in. We pick them up in vans. But it is done by businesses, which is interesting.

Ms. **Feeney**. We are now at 46 percent from local fund-raising, businesses and individuals. We were 90 percent Federally funded but the trend is business.

The problem with that, the limitation of that is fund-raising generally raises only 5 to 6 percent a year. When you start with 5 and 6 years ago when you did that, you jumped quickly each year and then it tops out. The growth level is at 10 percent, and it is true that there has been a terrific investment of local funds, but we are going to experience that topping out of their ability to increase each year.

Mr. **Hall**. Questions of the witnesses?

Mr. AuCoin.

Mr. **AuCoin**. Thank you, Mr. Chairman.

Anne, the criteria for Meals-on-Wheels benefits is that a person be confined and unable to get out.

Ms. **Feeney**. Right.

Mr. **AuCoin**. There is no means test?

Ms. **Feeney**. No means test for the group meals or in-home.

Mr. **AuCoin**. And in your written testimony you indicate that the per meal cost is about $3.75; is that correct?

Ms. **Feeney**. Yes.

Mr. **AuCoin**. Are there a number of people who take part in Meals-on-Wheels who are financially well off enough to easily be able to afford that $3.75?

Ms. **Feeney**. Yes, I would say about 20 percent of our entire program, but they don't give that amount. Mostly because the perception is that the program is still Government funded. We are trying to convince them that it is not. There are a number that pay the full amount, but it is a tiny minority. Our average donation is $1.04 now.

Mr. **AuCoin**. Is that a program under the Older Americans Act?

Ms. **Feeney**. Yes, it is. Our only funding—we have USDA money, of course, and Older Americans Act from the Federal Government.

Mr. **AuCoin**. Ms. Nazarko, you talked about corporate giving and they have a pretty good record in Oregon. I just wonder if we have seen in Oregon any impact from the phenomenon we have seen nationwide where we have had these corporate mergers, a lot of them hostile, where the management is even further removed from the plant or the factory or the corporation that is left behind in the good old State of Oregon, or Ohio or Texas or Mississippi. I can think of a couple firms where this happened in Oregon.

I don't think there have been as many as in some States, but do you, based on the Oregon experience or experiences that you have learned of in other States, do you have the impression that the merger mania that we have been going through has desensitized corporate giving for programs of this kind inasmuch as the decision making is further removed from the community where the corporations are located?

Ms. **Nazarko**. In general it is changing rapidly. That is one of the factors making a difference.

Speaking at the national level, Oregon Food Bank is a member of Second Harvest, which is of course the national organization of food banks that works with the large donors, with national level food donors. Second Harvest has seen a substantial reduction in its ability to secure donated food, and this is partly the result of mergers and acquisitions.

One of the ways that it is related is that many of these acquisitions are debt financed. Consequently, these corporations may lose the incentive or ability to either take a tax deduction or to make a community contribution.

Second Harvest at the national level is facing a very up-hill struggle.

Mr. **AuCoin**. Thank you both very much.

Mr. **Hall**. Mr. Espy.

Mr. **Espy**. Thank you, Mr. Chairman.

Just one question to Ms. Nazarko. I have always been an advocate and proponent of purchasing flexibility in favor of the States. The TEFAP, and all the other programs—in fact, in Mississippi we have considered a proposal to USDA for a TEFAP demonstration project which would permit the State to take a portion of its commodity allocation in cash and then they would issue vouchers to those to purchase if they want to purchase locally grown fruits and vegetables. By that we hope to increase consumption of fresh fruits and vegetables, and simultaneously boost the income of small farmers.

What are your views on such a project and what specific role should commodity distributors have in influencing the types of foods purchased by the TEFAP and USDA?

Ms. **Nazarko**. How did you do that?

Mr. **Espy**. We have not done it. We are proposing to do that.

Ms. **Nazarko**. I think we need to take some notes here.

Mr. **Espy**. OK.

Ms. **Nazarko**. I think it is essential that TEFAP have more local flexibility. One of the things we have seen, of course, is USDA basically making uniform purchases for the whole country as if to assume that what you need is everywhere universal. There are reasons for that approach, partly related to the fact that the commodity program was originally a by-product of agricultural subsidy policy.

Now that we've moved to a purchase component, there is no reason there shouldn't be strong input from the State level. For example, one of the things we have managed to secure here in Oregon, through help with some of our friends in the food processing industry, is green beans. We grow them here, we have lots of them, we have hundreds of thousands of pounds of green beans that have been donated. There is no reason for USDA to purchase canned green beans for us here. Yet last year they did.

Mr. **Espy**. Right.

Ms. **Nazarko**. We could tell them things that they could purchase that would help us put together a reasonable food box that could actually feed people. Then we could take what we get from the community and from industry, which is very often random, and use the Federal foods as predictable centerpieces, staples of an emergency food box. One of my staffers calls TEFAP foods "staple rations", she thinks that sounds suitably austere. When we have the staples we need we can use the donated food to supplement that.

What you are trying to do with local control is very important, and I think that is the direction that it needs to go, even though I understand you will probably run into a little resistance there.

Mr. **Espy**. But we can lobby them.

Thank you, Mr. Chairman.

Mr. **Hall**. Mr. Bustamante.

Mr. **Bustamante**. Ms. Feeney, let me ask you, on your second recommendation that you made recommending that we fund out of medicaid——

Ms. **Feeney**. Yes.

Mr. **Bustamante**. But that is the State. It is in the medicare area because——

Ms. **Feeney**. Right.

Mr. **Bustamante** [continuing]. Because medicare funding is to lending us. So it would probably be the medicare.

Ms. **Feeney**. Right.

Mr. Bustamante. Do you know that impact it would have on that fund?

Ms. Feeney. I think it would be extremely difficult. I think there is no question—except that now the way it is written it exempts housing and food for people to keep them in their homes, but every other service, nursing care and visiting nurses and whatever, and food is so basic to their health care, it just seems to me it would apply.

Mr. Bustamante. It seems to me it would be a very positive impact because of the health concerns and the cost of medical care, that as long as you provide a type of nutrition, that there would be in the long run some savings there.

Ms. Feeney. Right.

Mr. Bustamante. I agree with you on that. My concern is just to get some numbers. Medicare was supposed to cost—it cost about $1 billion in the early 1960's when it was first started, and it was to cost $20 billion probably by the 1980's or 1990's. It is now at $100-some billion. So you can understand the problem, where we are at.

Ms. Feeney. I think it is all the same income tax money in terms of older Americans versus—you know it is going to draw on either one of those sources. I was trying to think of a way to tie it to the agenda of keeping people in their homes.

Mr. Bustamante. Thank you, Mr. Chairman.

Mr. Hall. Ms. Nazarko, I wanted to ask, you do things a little different in Oregon than we do in Ohio. You believe in allowing your food banks basically to do all of the distributing for the TEFAP, as I understand.

Ms. Nazarko. Yes.

Mr. Hall. We sometimes allow the community action groups to do it, United Way, different groups.

Ms. Nazarko. Yes.

Mr. Hall. Do you feel this program is working well for you here in Oregon?

Ms. Nazarko. We do have a relationship with the community action groups; about one-half of our regional coordinating agencies are run through community action centers. But in addition, we distribute in larger communities through some free-standing, 501(c)(3)'s, as in Lane County and Marion or Polk. In a smaller place like Tillimuk, we might have an all-volunteer program.

In Oregon, Oregon Food Bank is the sole subcontractor for the TEFAP. We are able to move all USDA foods at no charge to the communities receiving them, no shared maintenance contribution. The State of Oregon passes through about 90 percent of the Federal administrative money. This covers our cost at the Oregon Food Bank level, and covers a percentage of the cost at the RCA level of running the program.

One of the advantages to our system is that we are able to centrally distribute the resource in a way that takes into account the population and poverty rates of various counties. So there is an equity that occurs across the State in terms of people being able to access the resources.

Mr. Hall. OK. Thank you.

Thank you, both of you.

We want to thank all of the witnesses. We have had excellent testimony here. We have had some tremendous witnesses, and it has helped us very, very much. You have given us a lot of work to do and a lot of things to think about.

That concludes the formal part of the panel system today. We are going to have a period of time which we call the open mike session. We were to take 30 minutes; however, we are running late. Let's take 20 minutes for anybody who has come to ask a question, to make a statement, anyone who has something on their minds relative to hunger.

We are not going to go over 2 or 3 minutes each. If you go beyond 3 minutes I am going to have to cut you off, because if you do that then we have to cut off probably the last couple people. So you are just encroaching on the time of anybody else who wants to say something or ask a question.

I don't have an orderly procession here, but maybe if we could get a sense of how many people want to come up and say something, if you would raise your hands.

Why don't we start with you, sir, in the back.

STATEMENT OF HAROLD HANSEN, PRIVATE CITIZEN

Mr. **Hansen**. My name is Harold Hansen, I work with St. Matthew's Lutheran Church in distribution of food, but I do not necessarily represent them in coming here. I was not delegated as a representative of them here today.

I would like to put in a few comments to give a little bit further, a little further comment to some comments already made.

I would like to comment first that we have quite a few transients coming through Washington County. So we are feeding some transient people here that I feel should stay in their own community and be fed.

We quite often have people that say they are from Arkansas, and yet in their driveway will sit a Bronco 4 by 4 and a brand new XL with Washington plates on. So they don't always tell us the truth, and yet we are feeding them here.

I mentioned cars, when you go out and deliver these food boxes you are given a real education. You would be surprised at the nice cars these people sometimes drive. I am not saying all, and I am not saying that people here today have not told a true story of their circumstances, but I want to broaden it.

You would be surprised at the number of videos, TV's, and even the beer cans that are laying around, the amount of smoking going on, things that if I were poor I certainly could do without some of them.

I would like to correct a little bit, if you got the impression that food boxes are a 1½ day program. We deliver from our church four or five full boxes of food. We deliver a couple hundred pounds of hamburger, four or five loaves of bread, cereal, butter, cooking oils, a great big sack of spaghetti, big stack of macaroni, lots of cheese, lots of sauces as well as frozen foods and canned goods.

Now, I go back—let me give you an example. A week ago last Friday we delivered, our church delivered to a party, last Friday I got an emergency call in the evening that this family was out of food, would I please go help them. When I got there it was the same family, and I said how come you need food on a Friday night after you got it last week? They said, because we got so little it didn't last more than 1 day.

I don't see how they can eat all the food that I just mentioned to you in 1 day. We give a good supply, and this happens quite often. Whenever we go back they say it was so little delivered. Yet I know it was a lot.

Just last night I received a call from that same family again saying when will you be here again?

So it is certainly abused.

In our written comments I mentioned education of recipients, and I think that is a big field and you have touched on it. I think you should go into it far more thoroughly. I would also like to correct something that we get quite often, and I do not believe that would be a part of this, and that is equal distribution of wealth. In fact, some of the people running the programs have asked us why don't some of our recipients live on the street of dreams in those $200,000 houses, we should have equal distribution of wealth. I do not believe that to be a part of this program.

I also would like to mention——

Mr. **Hall**. Thank you, sir.

Mr. **Hansen**. Can I have just 1 minute?

Mr. **AuCoin**. I don't think so, sir.

Mr. **Hall**. What will happen is if you take 1 more minute the other people that want time, they don't get time. Because of that, I am going to have to cut you off.

Mr. **Hansen**. Let me make one statement, in our written statement we mentioned the food bank using USDA products. I think that there is no place in our food program for USDA products. That money should be converted to food stamps, and we have written that in our report.

Mr. **Hall**. Thank you.

I would like to make the point that for those who do not have the opportunity to speak today, the hearing record will be kept open for 2 weeks, so if you have a statement that you would like to make, just submit it to Congressman AuCoin's office.

Next, we have a gentleman in the back there in the blue sweater.

STATEMENT OF PAT CULLERTON, PRIVATE CITIZEN

Mr. **Cullerton**. My name is Pat Cullerton. I am a staff member with the St. Vincent de Paul Society. I am also a member of the board of the Oregon Food Bank.

I think acknowledgment needs to be given to the many programs which are in the trenches. This gentleman before said he delivered food. St. Vincent de Paul delivers food, Loaves and Fishes; Salvation Army. Adventist Church is strong; Snow-CAP, and St. Vincent de Paul. There are many, many groups that are out every day trying to help people. Without these people, these volunteers, our whole distribution program would fall on its face.

I hope the results of these hearings is a more compassionate attitude by our Government in trying to give the people an example, lead the people, of trying to help low-income people to improve their situation.

Thank you.

Mr. **Bustamante**. One of the things that I have always been aware of here, Mr. Chairman, St. Vincent de Paul has done a good job. I have been witness to all the things you have done over this area.

Mr. **Cullerton**. There are many people that do, but we just wanted to make the point.

Mr. **Bustamante**. But you are one of the leading ones.

Mr. **Hall**. All the way in the back. I would like to say, too, that there are so many groups that are working in the trenches or in a biblical sense they say they work in the gap and they never get recognized.

One was just mentioned. There are many, many, many all over this country. We would like to recognize them through this hunger committee, but that is almost impossible.

But we hope by coming to Oregon that we can focus on the issue and we are really advocates for the poor and the hungry. But we thank you so much, all of you, that day in and day out you never see your name in the paper, you never get noticed, nobody ever pats you on the back, but, in fact—I suspect most of those people that do a lot of the delivering are here in this room—we appreciate you very, very much. If it wasn't for you, it wouldn't get done.

STATEMENT OF NANCY ESSELTON, PRIVATE CITIZEN

Ms. **Esselton**. Nancy Esselton, resident of Washington County and I would like to thank you gentlemen for coming to Oregon and I appreciate your sympathy and concern for the hungry.

I have been a volunteer for the Tualatin Valley Food Center for 5½ years and I have watched the program develop and struggle through a number of situations in reaching the hungry and those other areas of poverty. They have been developing programs and working very hard on the funds that they have right now and it grieves me that it is being considered to drop this program of feeding the hungry.

What is needed is an increase so the people like the Tualatin Valley Food Center can develop their programs and reach these people that they can not reach now.

What I would like to see is a stopping of the argument of how many billions of aid we send overseas and protect the Americans. Are we protecting our country in defending it and making it strong? Are we trying to protect our image overseas? I would like to have you take that back to the Congress and I would also like to recommend that if the Government has to reduce its program, I would like to see some kind of a public sector being able to contribute to these areas and have a great tax advantage in this area, so that means readjustment of the tax code.

Thank you very much.

Mr. **AuCoin**. Could I ask you, have you noticed many four-wheel Broncos in the driveways of recipients of food in your experience in Washington County?

Mr. **Miller**. I have never delivered food to the homes.

Mr. **AuCoin**. Thank you very much for your statement.

Mr. **Hall**. The lady in red.

STATEMENT OF JILL GUTIERREZ, PRIVATE CITIZEN

Ms. **Gutierrez**. I am Jill Gutierrez. I am here as an advocate mostly. Along with the other women, I have and still am on programs. We are welfare right now. We accept WIC. We are on—I belong to Gleaners.

When you talk about rehabilitating your—and beg, believe me, you really beg.

I am a professional person by trade. I have worked in business for 20 years. I went overseas and came back and had no place to live and ended up staying with my mother. If it wasn't for the programs that are available—I never in my wildest dreams thought I would ever rely on another person. I have always been independent.

When I realized that I needed help, and there were people around that could help, and I started picking and choosing and finding just what there was and the kindness and the understanding—but when you have to stand up and beg from people just to survive, that hurts.

One program that I found really helped a lot for me and for our family is WIC. I had never heard of it before I came here. I was surprised. I was shocked. But the advantage of WIC is you can pick where you want to go. You don't have to go to one store or one place where they tell you to go. They don't give you a little package of commodities. They tell you—give you the pride of walking into a store and picking up what you want to eat, picking out what you need, the things you prefer. They give you—the vouchers tell you what you are allowed, but you are given enough pride to at least go in and pick it out.

We are on housing section 8.

I have one more thing I would like to mention. The gentleman that stood up and mentioned about the food boxes, we have received food boxes three Christmases. One Christmas we received a turkey. I am not looking a gift horse in the mouth, but it was rotten when we got it.

The second time I was living with my mother. My mother is single. She has a nice house, nice apartment, nice furniture. We were living there and we were treated very poorly because I was living with her. They came and saw all this nice furniture and figured, well, you know, sure, she must have a lot of money, why would she be sitting here, she's just too lazy to get out and work.

The third time I finally—we, we moved into our own apartment and we had no television. We had nothing. I came from England, moved here from England and I had absolutely nothing, no furniture, no dishes, no nothing. And I had everybody lend me things. Because of that, we were able to survive.

I have had people come in and say, look, she seems to have an awful lot of things. They are not mine. When we leave or whatever, that will be given back to everybody else.

But I just want that one statement to be made and understood that we don't have anything. Everything we have in our house belongs to other people.

Thank you.

Mr. **Hall**. Thank you, madam.

The gentleman in the back in the white jacket?

STATEMENT OF WALT CRUMMEL, PRIVATE CITIZEN

Mr. **Crummel**. I am Walt Crummel from St. Vincent de Paul in Cedar Mill. I also work with Loaves and Fishes every month also.

There is some programs, I heard it last time, a program on WIC in which they are reducing the moneys to it. They also mentioned that the prognostication for the rise of food prices was supposed to be 4 percent, but it is now up to 20 percent.

Mr. Concannon talked about subsidies to the tobacco industry. That is one of the ways of raising money, cut the subsidies to this land bank program that we have had since after World War II. We have thousands and thousands of acres sitting out here in the United States that are nonproductive, are not being produced, and we are paying millions of dollars to these owners to leave this land dormant.

Now, if you want—at one time this country had the biggest surplus of food because farmers were all out producing. Now, the USDA people are having to go out and buy food to give through the program here for the food boxes. It is about time we got some of this land back in production again.

It also means more jobs. If you get more land in production, you get more jobs. We are liable to build up our surplus then to where we can get back to where we were in the 1950's and 1960's, to where you had actually surplus food that you had to get rid of instead of putting dye on potatoes in Idaho and burying them because you didn't want to give them to the hog farms, or you had wheat that laid in the field for umpteen weeks and they deteriorated because of boll weevils so you have to plow them under.

We have the knowledge and we have the workers, and let's get out there and produce it and we can eliminate an awful lot of waste by paying people who don't need the money, and when this food—when this acreage was laid aside you eliminated the small farmers, because you forced them to go out and plant their whole 160 acres because you had the limit of 200 acres and you just got rid of the small farmers.

As far as raising the food from around this area here, there are a lot of people that live on 5, 10, 15 acres, if there was a way that we could program them to grow vegetables on some of their properties and let us buy food from them and augment their income, that would be well.

Thank you.

Mr. **Hall**. I am not so sure you have to buy it. You have a lot of food here in Oregon. If your gleaning operation gets under way, it is unbelievable what you can do with that food, and then you can can it. We do it in Ohio, and we have been doing it for 6 years now. It is a tremendous source of free good vegetables and fruits and et cetera.

Mr. Espy. Mr. Chairman, if I could, and I don't want to get into a question and answer dialog, but I heard the gentleman's argument before on the Agriculture Committee, and just to let the gentleman know, it is national agricultural policy to try to reduce the surplus. A lot of colleagues of mine on the Agriculture Committee will tell you that we have decreased the overall agriculture budget because we have tried to eliminate the stocks because the more we grow, the more the surplus, the more farmers participate in the program, the higher the Federal subsidies are to the farmers, who turn the supplies into the CCC.

So the conservation set-aside program is I think very useful to eliminate the surplus and eliminate the stocks. I say that because the way we are undertaking it now. We are debating the farm bill. So I take the opposite view to a certain extent.

Mr. Hall. One last witness; yes, ma'am?

STATEMENT OF PATTY SMITH, PRIVATE CITIZEN

Ms. Smith. I am Patty Smith, I know how it is to be poor. I was put on welfare with my mom in 1970, and she has eight other kids. I know I only get 154 food stamps a month and I have three boys and I know it doesn't last. It is hard because I have to borrow from my family and pay them back, and it is really hard.

I want to say something else about WIC. I have a 3-year-old baby that is handicapped, and he was 13½ pounds until he was 2 years old, and WIC helped me out a lot with special milk for him. This has been special to me and him. I want to say thank you for the WIC Program in Washington County.

Thank you.

Mr. Hall. It is good to hear that about WIC. This committee really pushes that program very, very hard. It only covers 50 to 60 percent of the people eligible, but we hope to someday cover 100 percent. It is a priority in our eyes.

I want to thank all of you for coming, especially Mr. AuCoin and his staff for setting this up, for inviting us, for all the work that went into it, for the providers and people that have assisted us, and for Mr. Bustamante, who came from Washington and Texas, Mr. Espy, who came from Mississippi and Washington. For them to have come across the country to participate here demonstrates great commitment.

You have been very helpful to us. As I have said before, it has given us quite a few things to think about and work on, and I can tell you that we on the Select Committee on Hunger are very committed, very committed to responding to the problems you have voiced today. We are very committed to eradicating this problem that we think should be eradicated and hopefully someday—I am not sure when—but some people have pointed to the year 2000, that these kinds of hearings on hunger will be archaic, they will be a footnote in the history books, that we won't have to have these kinds of hearings in our own country.

We thank you all. For those that didn't get to testify and would like to, please submit your statements to Mr. AuCoin's office.

Thank you very much.

Mr. **AuCoin**. Mr. Chairman, you didn't drop the gavel, so I just want to say to you and to my two colleagues what I think is on the minds of everybody in the audience, and that is how deeply grateful we are again that all three of you have taken time to bring the Select Committee on Hunger to our county and to the State of Oregon.

I want to also thank the witnesses. I was very proud of the testimony they gave. I think the suggestions given were extremely good. I want to salute them and thank them again.

Finally, I would just like to thank the audience for being here, because we are not going to conquer this problem unless we first establish an awareness, and with that awareness, compassion and willingness to act, and awareness is the beginning of all of that.

So I want to thank you, too. I think it has been a good hearing, and I look forward to the two stops we will be making on the balance of our day. And with that, I will let you drop the gavel.

Thank you.

Mr. **Hall**. The Committee is adjourned.

[Whereupon, at 1:13 p.m., the committee was adjourned.]

[Material submitted for inclusion in the record follows:]

Prepared Statement of Hon. Les AuCoin, a Representative in Congress From the State of Oregon

MR. CHAIRMAN: I'd like to welcome you and my distinguished Colleagues, Mr. Espy and Mr. Bustamante, to Washington County and I commend the Committee for holding this hearing on one of the greatest and most tragic ironies of our time, the persistence of hunger in affluent communities.

Hunger is a symptom of poverty and the frightening reality is that poverty is never far below the surface of our most affluent areas.

How do we reconcile the fact that as unemployment rates fall in many communities, there is a simultaneous rise in the demand for emergency food assistance?

How can it be that thousands of people, who are either working or trained and ready to work, are fighting to feed their families?

From Oregon to Mississippi, from Ohio to Texas, and beyond, this phenomenon has challenged the very fibers of the American dream -- that hard work brings just rewards and fulfills dreams.

Nowhere in Oregon is this dichotomy truer than in Washington County. Washington County has enjoyed tremendous economic growth throughout the past five years. In the heart of the county sits the Silicon Forest, a high tech mecca, which draws thousands of people to the area to fill newly created jobs. Washington County also has the highest agricultural output of any county in the state. Area residents enjoy the highest per capita income in Oregon while greatly surpassing the national per capita income as well. Not surprisingly, the unemployment rate has dropped consistently in the county since the mid-eighties to less than 5% of the work force.

Poverty in Washington County? Hunger? To look around, you wouldn't think so. But visualize Beaverton, a city of about 40,000 people. Now visualize Hillsboro, about 30,000. Now visualize a city the same size as either Beaverton or Hillsboro, but inhabited only by people whose incomes fall at or below the poverty level. Oregonians would be surprised if they knew that this is almost exactly the magnitude of poverty in Washington County. 32,000 people! Active participants in our community. And they are struggling to feed their families.

The reason is that prosperity has brought some other changes to Washington County, too. Housing costs are the highest in the state and there is less than a 1% vacancy rate for rental units. Paying for shelter alone often eats up half of a monthly paycheck. The end result is that, combined with expenditures for child care, transportation, health care, and incidentals, many in Washington County find that they need help in feeding their families.

Our burgeoning population has had a major impact on our emergency food network. And, in terms of the state as a whole, last year alone, close to half of the 480,000 Oregonians who required emergency food assistance were employed workers! While the demand is expected to increase, cuts in federal subsidies will only make it more difficult for the hunger network to meet the need. Though the state is working to tighten the safety net, it can't do it alone.

Well-trained, able-bodied, working Americans aren't supposed to need emergency food assistance. But the reality is they do. And that is why we are gathered here today -- because no single private or public entity can shoulder the burden of this phenomenon alone.

Among the policy questions Congress is debating are methods to improve people's chances of attaining self-sufficiency. The Mickey Leland memorial Domestic Hunger Prevention Act, named in honor of the late Chairman of this Committee, goes a long way towards this goal. Among other provisions in the bill, it makes more flexible the eligibility criteria which determine benefit levels. People will be able to work and earn income without fear of losing vital benefits.

Housing must be made more affordable for middle and low income families. The Leland bill, if passed, will increase the shelter deduction for low income families. Another initiative moving though the Congress is a comprehensive housing initiative which contains funds for lower income and rural housing construction. It also sets aside $7 billion for renewals of expiring low-income housing assistance.

Efforts are also underway to amend the Job Partnership Training Act to better serve those needing job training assistance and placement.

Finally, the House just passed a child care bill that will east the burden of child care expenses for low income families.

Our hope is that this hearing will shed light on these and other barriers to self-sufficiency. The testimony provided to this Committee will give us the tools we need to get the job done in Washington.

We will hear from three panels of witnesses about what is happening out there, why it's happening, and what needs to be done to solve this very pressing problem.

I'd especially like to thank the panel of private citizens for appearing before the Committee and I look forward to their testimony. It is extremely important that we have on public record their personal perspective on the challenges they face every day. Only then can we fashion the best solutions that will move us closer to restoring the promise of the American dream.

Prepared Statement of Hon. Mike Espy, a Representative in Congress From the State of Mississippi

Good morning. I'm Congressman Mike Espy from the 2nd District of Mississippi. I'm the Chairman of the Select Committee's Task Force on Domestic Hunger. I want to associate myself with Chairman Hall in expressing the committee's appreciation for the opportunity to join you here in Washington County today. I know most of you don't know it, but there are actually two Congressmen from Washington County here today. My good friend Les AuCoin is one, and I'm delighted to be here in your home town, Les. I'm the other. Let me tell you about Washington County, Mississippi, the area I represent in the House of Representatives:

- My Washington County has an annual per capita income of a little more than $8,000; Washington County Oregon's per capita income is $17,389 per year.
- The unemployment rate in my Washington County is 14 percent. It's less than 5 percent here in Washington County Oregon.
- In Washington County, Oregon, the infant mortality rate is about 7 per 1,000 live births; it's twice that in Washington, County Mississippi.

Now, it's easy to see why folks in Washington County, Mississippi have to rely on food banks and soup kitchens to feed themselves: we're one of the 282 most distressed counties in the nation, according to a national assessment of county economic standings. It's not so easy to explain here. According to the same survey, Washington County, Oregon is one of the 315 counties cited as having strong economies.

So despite our economic differences, both counties share common problems. There are citizens of both Washington Counties are forced to choose between food and shelter, between food and health care. In both Washington Counties, children go to bed at night hungry.

Now, I was pleased to have had a role in creating the Lower Mississippi Development Commission, which just issued the report "The Delta Initiatives: Realizing the Dream...Fulfilling the Potential." The report proposes ideas to improve the economy of the lower Mississippi Delta region by increasing employment opportunities, and providing better access to health-care, decent housing, and education. It's going to take a little time, but I think the report offers a direction and some hope -- and some help -- to families in Washington County, Mississippi who are in need of food and other assistance.

I'm not sure what's needed for Washington County, Oregon. That's what we're here to find out. We're going to take a look at how poverty can persist in an otherwise prosperous community, and what can be done about it. This hearing, and this Committee, can play an important role in finding those solutions. Your Congressman Les AuCoin, and our

Chairman Tony Hall, and the rest of my colleagues here today, are going to see to it that the problems facing Washington County get a full hearing, and that your message is delivered to the relevant Committees of Congress back in Washington, D.C.

I can tell you that, as a member of the House Agriculture Committee, we've made some adjustments to this year's Farm Bill, in the Food Stamp Program that will strengthen benefits, and permit a greater number of working low-income families to receive the assistance they need. And we've increased the purchasing power of TEFAP from $120 million to $190 million per year. So we are helping. And, I hope that, after today's hearing, when we've learned more, we'll be able to help more.

I agree with Chairman Hall that we have an impressive list of witnesses today, and let me conclude, Mr. Chairman, by thanking you for convening this field hearing. I look forward to a very enlightening session.

Prepared Statement of Jerralynn Ness, Executive Director, Washington County Community Action Organization (WCCAO)

Chairman Hall and Committee members, thank you for taking time away from your full schedule in our capitol and from your own districts to visit Washington County, Oregon's most prosperous community and one which is truly representative of the "paradox of poverty in a land of plenty".

My name is Jerralynn Ness and I am the Executive Director of our local community action agency which has been serving low income families since 1965. I grew up in this area and began working with the Washington County Community Action Agency 17 years ago as a VISTA Volunteer for much of the same reasons you are here today.

The striking contrast of poverty and wealth and my long held belief that if we have the will, we have the knowledge, the tools and the resources to assure that no member of our community will go hungry, homeless or suffer the ravages of poverty.

Our Community Action Agency provides a range of services to address both the causes and the conditions of poverty. Poverty is the primary cause of hunger ....and hunger has been a concern of ours for years. In response to this concern we established a county wide food bank to meet hunger needs and prevent food waste. Our food bank solicits, stores and weekly distribute surplus food to over 50 organizations who are feeding the poor in Washington County. This is a huge volunteer effort that allows us to feed one person for three days for the cost of only $1.00.

This year nearly 74,000 emergency food needs will be met through the provision of food boxes and hot meals. This does not include the feeding programs we support for low income children, the elderly and the mentally impaired.

In addition, we monthly distribute donated food and incidentals to approximately 800 low income families through our "Brown Bag" program which helps to stretch limited household budgets and to prevent the need for emergency food. Each family pays a $12 annual membership fee and is encouraged to help operate the program by volunteering to sort, bag and deliver food at the sites or to homebound elderly and handicapped.

Our food bank, the Tualatin Valley Food Center coordinates a clearing bureau during Thanksgiving and Christmas for holiday food baskets. This volunteer operated bureau distributes applications to families in need, screens them to avoid duplication and provides "cleared" names to churches, civic groups, businesses and individuals who will assemble and deliver the baskets to the homes of low income families.

We are a member of Oregon Food Bank and are committed to cooperating with a statewide food banking network to increase our effectiveness and efficiency. And last of all, we have been the coordinating agency for the resources, or USDA commodities as we refer to them.

We experienced a 67% decrease in the amount of TEFAP foods available to our community. Nearly half of the food we distributed in the past was USDA commodities, which assured nutritious, balanced meals for hungry families. While local donations are significant at 750,000 pounds annually, our donors have not been able to double their contribution to make up for the loss of TEFAP. As a result, we have diverted more FEMA resources from our homeless services to purchase food which usually lasts less than two weeks.

When we ran out of staple foods such as powdered milk, rice and cheese, some emergency programs spent precious dollars trying to replace those items in the food box and had to discontinue helping families with rent and fuel assistance, forcing volunteers to make "heat or eat" decisions for needy families.

Small agencies who could not afford to replace these valued commodities ended up supplying less than adequate amounts of food to meet their client's hunger needs. Many agencies made hard choices like serving only families and turning away singles and four of our food box programs closed down.

Last year our community faced a "migrant crisis" due to the new Federal Immigration Act. Fourteen to fifteen thousand workers came to us looking for help. Many had not eaten for days. At that time, we were able to supply them with food boxes containing USDA commodities such as cheese, rice, flour, butter and other staples. We turned to the community for help to purchase large amounts of other food items needed to supplement the commodities. If a crisis situation arose in our community again, we would be unable to quickly provide an adequate food response without USDA commodities.

Many single senior citizens used USDA Mass Distributions as a way to supplement their minimal food stamp allocations or meager social security incomes. Some in this population preferred volunteering to assist in the distribution of USDA commodities and receive their fair share rather than shop with food stamps or ask for emergency help.

Food is the last item that low income families use their precious resources to buy. They know that their budget is tight they have no hopes of their landlord donating rent or a fuel vendor donating heat. But they still believe that they can turn to the community to prevent hunger.

The need for emergency food in our community has not been relived. We continue to serve under employed families, single parents with small children and the homeless and we do so with fewer resources than we have had in years.

And Washington County is prospering. We have the highest per capita income in Oregon. We are experiencing enormous growth with a steady decrease in unemployment and an abundance of jobs. We have tremendous livability with a fine mix of forest, farm and urban settings.

So what is wrong with this picture?

Absolutely nothing. If, and only _if_ we add to it:

Affordable housing and child care.

Family wage jobs with basic health care coverage.

Accessible public transportation and thoughtful, planned growth.

Equal opportunities for ethnic minorities and women.

Adequate support services for human development and basic needs.

We would then become a community that reflects what we once all believed was a very obtainable American dream. But until then the other side of Washington County is a very dim and dismal picture.

Over 32,000 people live in poverty. They are younger than ever, they are poorer than ever and they are working harder than ever. For a family of four they need to earn nearly twice Oregon's minimum wage of $4.25 an hour in order to pay for the basic costs of housing, food, transportation, health care and child care in Washington County. The majority of our residents must rely on private transportation.

Washington County has the highest rents in Oregon. We have 10,000 families needing access to adequate affordable housing. Our homeless population has doubled in the past 2-3 years and our agricultural workers are living in situations we believed only existed in 3rd world nations.

We have almost no affordable child care options for families earning minimum and entry level wages. And yet we are desperate for workers to hold these jobs and we know that women are the highest number of new entries to our work force.

Struggling because you are poor is difficult in most situations. Struggling with poverty in an affluent community is a very demeaning , depressing and almost insulting experience. Especially when you are working or trying hard to obtain employment. People become hopeless and begin to feel that there is something wrong with them. We are seeing a generation of people who believed that if they worked hard enough they could provide adequately for their families. They believed in the American dream. They are working hard for a decent life and yet they cannot feed their families and can barely keep a roof over their heads simply because the income they make is not adequate to cover the basic costs of living and working.

While I Believe that change occurs person by person and that problems are best solved at the local level, I also believe that our federal government has enormous power to set a national conscience. When our highest level of government proclaims loudly and clearly that hunger in this land of plenty is morally unacceptable and will not be tolerated, you validate this concern and you mobilize a nation of concerned people into action.

I also believe that the federal government has a role in partnership with the states and local communities. Alone, we cannot solve the problems of hunger which include the lack of affordable housing, health and child care as well as family wage jobs. But together our combined efforts and resources can and will eliminate hunger in Washington County, in Oregon, in the United States of America. Thank you.

Prepared Statement of Patricia Baez, Private Citizen, Hillsboro, OR

My name is Patricia Baez. I am the mother of three children, ages 7, 3, and 7 months. My husband is employed as a janitor for a company in Portland. He cleans buildings for $1300 per month, which comes to around $1000 after taxes. We are making payments of $177 per month for a used car my husband uses to get to work everyday. We have another car, but it's not working now and we can't afford to fix it. I do a lot of walking. Our rent is $340 a month for a two bedroom apartment in Hillsboro. The landlord has increased the rent to $400 for people who are just moving in. We cannot afford the payments for medical coverage offered by his company. We have had to pay for medical emergencies and care for our baby with cash. Cash is not always available.

I used to supplement our income by doing seasonal work at a nearby fruit and vegetable cannery. I won't be able to do that anymore as the company wants a commitment that I will work for two months at each shift: day, swing and graveyard. I started to work for a local electronics company for $5.50 an hour. I had to pay childcare for my two youngest children, and was not confident in the care they were receiving. After the additional costs of childcare and transportation to work I found I was only bringing home an additional $50 per week. I did not think this was worth the uncertainty I felt having my children cared for by strangers, so I left the job.

My oldest son receives hot meals at school. We receive an emergency food box every other month, we participate in the food bank's Brown Bag program and have received Christmas baskets. I also receive WIC assistance for food and protein for my baby. These programs provide a lot of assistance to my family.

My husband is very proud and does not want to accept any public assistance. We are certain things are going to get easier for us, and are thankful for what we do have.

(As told to Val Donley, Program Director for Tualatin Valley Food Center, on May 15, 1990.)

Prepared Statement of Debra Carson, Private Citizen, Tualatin Valley Food Center

My name is Debra Carson, I appreciate the opportunity to testify before this Committee. I have lived in Washington County my entire life, as has my husband. I have personally witnessed the transition in this area which is the focus of this hearing today. In 1972 my parent rented a house on ten acres of land in the city of Tualatin for $150 a month. Today the house is gone and the land it sat on is selling for over a million dollars. That gives you an example of what is happening to housing costs and how it's affecting families like mine who call this area home.

My husband and I live with our four children; one is his from a previous marriage, one is mine from a previous marriage, and two we have had together. Two are 11 years of age, the other two are six and four years old. My husband is a trained journeyman carpenter working for a shipbuilding company in Vancouver, Washington; he makes $9.50/hour. We pay $138/month for partial medical coverage, and after taxes his check comes to around $1200 each month. We receive $150/month in food stamps, and $130/month in child support from my ex-husband.

My husband was a member of the carpenter's union in the late

70s, but during the recession of the early 80s he was forced to change his profession. He took a nine month course at Portland Community College to become a motorcycle mechanic, but the recession was so severe he could only find short-term, low-pay work when he completed the course. He then found a carpentry job for $7.00/hour in the mid-80s, but was laid off in 1985. For nine months in 1986 we were forced to go on welfare for the first, and hopefully last, time in our lives. During this time my husband participated in the State's On the Job Training program, which helped him start his own business as a mechanic and carpenter. Unfortunately, we couldn't afford the cost of getting him bonded, so he was unable to support our family adequately. During this time he continued to look for steady employment, and finally found his current job as a shipwright making $9.50/hour.

As you can tell, neither of us want to be on public assistance, and will do everything we can to stay off it. We keep a meticulous budget, and are fortunate to live in a four bedroom home owned by the Washington County Housing Authority which rents for $377 a month. A nearly identical house next door rents on the open market for $850 a month.

I do my best to provide enough food for us and our children. I buy bulk foods, cook from scratch, and avoid all prepared foods because of the cost. I try to budget $75 every week for groceries, but often get by on $50 a week. That includes a lot of Ramen noodles, macaroni and cheese, and day-old bread. I buy whole chickens and then cut them up so everyone gets one piece each. I even buy gallons of 1% milk and dilute it into two gallons of 1/2% milk...and I can still only let my kids have milk for breakfast. I was the coordinator for the Westside Gleaners group for a number of years, but then it became too much work for too little return so I stopped participating.

Our entertainment consists of going to the movies on "$1.50-night" once every six months, and renting a video and movies to watch at home every other month. My husband and I try to go out alone for coffee one night every month, but it usually slips to every other month. Our furniture has all been inherited from our families, including the hide-a-bed my husband and I sleep on for lack of a "real" bed. We refuse to buy on credit, and only spend what we've budgeted.

Beyond our rent, we spend approximately $200 on all utilities, including gas, electricity, phone, water and garbage service. After that comes car insurance and gasoline so my husband can get to work, the health insurance I have mentioned, and medical bills not covered by our insurance, such as counseling for my husband's child who was abused by his step-father before we gained custody. The rest, whatever we can save, goes to food, toiletries and what little entertainment we can afford; our budget seldom allows for birthdays or holiday celebrations.

I think the government can do more to help families in transition like ourselves. As soon as my husband gets a raise, our food stamps are reduced and our rent is increased so we stay in the same place. It seems that no matter what we do, we can't pull ourselves out of a hole.

I really appreciate the food baskets we receive from the Tualatin Valley Food Bank. Some months we're really scrimping at the end, and that food means all the difference to us. We have received a Christmas food basket every year we've been married, and are thankful for the Salvation Army's Dress-A-Child program which allowed us to purchase a new outfit for each of them last year. We try not to use the food bank every month because we feel there are other families more deserving than ourselves, but it has really been helpful when we've needed it.

No matter how hard it is on my husband and I to save and live on a tight budget, we know it's harder for our children. They feel the stigma of being low income, and get depressed when other kids tease them for having to receive a scholarship to join the Boy or Girl Scouts, or for getting free meals at school. It tears my husband and I apart to see the shame they feel, and that makes us work harder and make additional sacrifices for them. In fact, one bag of food from the food bank's Brown Bag program allowed us to save the annual registration fee for our daughter to join the Girl Scouts this year without the need for a scholarship, and that made us all feel very good.

We have the perseverance to overcome these current setbacks, and hope to pull ourselves out through hard work and maintaining our tight budgets.

(As told to Chris Pierce, assistant to Congressman Les AuCoin, May 15, 1990.)

Prepared Statement of Rene Stinson, Medical Assistant, Tualatin Valley Food Center

My name is Rene Stinson and I volunteered to be here today to tell you about my personal situation. The first thing I want to say is that I'm not a lazy person. I want to work. I want to be able to provide for my children. I don't like to have to tell my children that they can't eat. I have four boys, ages 16, 14, 13 and 7. They consume a lot of food and sometimes I have trouble feeding them.

Each month I receive $616 from ADC, plus medical benefits. My food stamps total $330 a month. I cannot buy soap, toilet paper, cleaning supplies, clothes or personal hygiene products with my food stamps. I live in a three bedroom apartment in Beaverton. My rent is $475 a month, and utilities ususally come to $150. I currently work for my apartment manager cleaning apartments for an additional $500 per month.

I know how to make food stamps work for me. I shop at places where I can bag my own groceries, I use double coupons, and I buy family packs. But I still run out of food. I have to depend on a food box program every other month, sometimes more often. I volunteer at the food bank every week in order to help give back as much as I receive. There are times at the end of the month when I have to tell my kids they CAN'T EAT ANYMORE. I know we only have so much, and if we eat it all today, we will have nothing left for tomorrow. My children participate in the free breakfast and lunch programs at school, except for my oldest boy who is ashamed to take part. Remaining on welfare does allow me to provide for my family better than if I was working. Somehow, this doesn't seem right.

I am trained as a medical assistant. I have worked part-time in this profession on and off for the past several years. I sadly came to realize that in order for me to get off welfare and continue to support my children I would have to find a job where I could earn at least $10 per hour with full medical benefits. If I were to work at my profession I would be paid between $5.00 and $7.00 per hour, with minimal or no medical benefits for my children. My expenses would also increase as I would have to add child care, transportation and school lunches to my budget. I love my children and they come first. They have to eat and I will continue to support them in the best way I can.

(As told to Val Donley, Program Director for Tualatin Valley Food Center, on May 2, 1990.)

Prepared Statement of William V. Street, Director, Research and Education, International Wood Workers of America, USA

In 1961, Michael Harrington, in a book titled, The Other America, noted, among other things,

> "The millions who are poor in the United States tend to become increasingly invisible. Here is a great mass of people, yet it takes an effort of the intellect and will even to see them."

In essence, the salient point of Mr. Harrington's observation for us today is that to be in the numeric minority, in a democratic affluent area, be that area a nation, a state, or a county, is to be for the most part, invisible and disenfranchised. The poor in Washington County, Oregon are in precisely just such a situation.

When The Other America, was published there were approximately 8.1 million families with incomes below the poverty level, representing 17% of the nation's families. After an extensive "war on poverty" this number was reduced to 4.8 million families representing 8.8% of the nation's families in 1974. From that point forward in an act of collective amnesia, the poor ceased to be politically popular. The issues of inflation, government spending, and regulation took center stage.

After three Presidential Administrations focused on a top down approach to economic investment and revival, and after the abrogation of the social contract between labor and management symbolized by the brutal destruction of the PATCO by President Reagan, we meet here today with approximately 7 million families in poverty representing 10.4% of the nation's families. Since 1974, the number of American families in poverty has almost doubled. That this has occurred during the longest uninterrupted economic expansion since WWII is troubling and proof that economic growth alone is insufficient to eliminate poverty and hunger in the U.S. The decline in federal support for poverty programs since 1980 almost directly correlates with of an increase in both the number of below poverty line families and an increase in the poverty rate of families. It seems clear that a laisses-faire approach will condemn an increasing number of American's to the fate now suffered by a relatively small portion of the population.

An examination of Washington County is relevant not only because it has experienced a rate of economic growth similar to the U.S., but also because in some instances the County has grown faster than the national average.

Washington County, Oregon is arguably the wealthiest County in the state. In terms of property values, per capita income, personal income, and unemployment rates, the County ranks as either the best, highest, or second best in most of the available socio-economic indicators. During the decade of the 1980's, employment in Washington County expanded by 23%. The Washington County area alone created 11,000 jobs while the Portland

Metropolitan area, which includes Washington County, experienced the addition of 59,300 jobs to its labor market. Average Income grew by 50%, and per capita income grew at a rate faster than both the state and the nation. Unemployment in the region's labor market dropped steadily following the 1982-83 national economic recession. By 1990, the unemployment rate for the Portland Metropolitan area was 4.0%, which was below the national average of 5.3% for the comparable month.

In short, Washington County has a strong and vigorous economy which is growing both in terms of income and employment opportunities. In the context of Oregon and the Pacific Northwest, Washington County could be characterized as a prosperous community.

Like many suburban areas, it is difficult if not impossible to discuss the economy of Washington County as if it were an island isolated from either the metropolitan or regional economy of which it is a part. It is precisely because of it suburban role in the Portland area that Washington County is as prosperous as it is. Each evening the stream of traffic over Hwy 20 of Washington County residents returning home from Portland represents a continuous flow of dollars into the Washington County.

Yet, as you have heard, demand for emergency and basic food services has not declined as the local economy has expanded. In fact, the data presented here earlier documents that the demand for emergency food services has increased. While the time permitted here today does not allow for an exhaustive explanation, a brief overview should provide ample understanding of the problems facing the poor in Washington County, Oregon.

As is the case for the national economy and the national labor market, Washington County's economy and labor market are increasingly segmented and divided. Unlike earlier times, when the inability to gain employment was the principle cause of poverty and getting a job was the solution, the current labor market is much different.

Getting a job now no longer assures economic stability, security, or even the ability to get out of debt, or most tragically of all to either escape poverty or the periodic requirement for public or community assistance.

While the reasons why the economy no longer is creating "family" wage type jobs are numerous, the principle cause appears to be a fundamental change in investor and corporate philosophy evolving during the past two decades. Most notably this change has meant a movement away from longer term value-added, productivity increasing improvements to a short term financial oriented investment. The inability or refusal to invest for the longer term has made the U.S. economy extremely vulnerable to foreign intrusion into market share, and has lead to the exportation not only of good paying U.S. jobs overseas, but more importantly to the sales of the technology and basic ability to compete with foreign producers in terms of productivity enhancing investments. A single example pertinent to the Northwest documents this trends. Weyerhaeuser Corporation last year invested $686 million in new plant and equipment construction for the forest products industry section of the corporation. They also invested 3.1 billion dollars in financial speculative activity. This investment pattern means that instead of manufacturing finished lumber products for export Weyerhaeuser exports billions of board foot of U.S. timber to Japan. It means that instead of modernized mills and developing new products, the company closed mills for lack of large diameter timber or because of low prices and high operating costs.

Weyerhaeuser is no different than any other major U.S. based corporation. The pressure for short-term profits has fragmented the labor market, destroyed communities, and set the stage for the most hostile labor relations since the 1930's.

The failure of the U.S. economy to invest in itself, to increase productivity, means that the massive wealth created by LBO's and hostile takeovers will be shared by an decreasing number of U.S. families. The symptoms of this investment philosophy can be seen in Washington County.

One of the symptoms of this narrow, short-sighted investment philosophy has been a dramatic change in the composition of the labor force and in the type of jobs created by the economy. More employment growth during the past decade has occurred in lower paying service, trade, and the lower paying portions of the manufacturing sector than in the higher paying occupations which add value to commodities. Relative to these rapidly growing Service sectors, employment expansion in the higher paying manufacturing sectors has been slow or nonexistent.

Since 1980, Washington County employment in manufacturing with its average annual pay of $27,739 per job, has declined by 6.0%. Employment in the highest paid manufacturing sector in Washington County, the manufacturing of electronic instruments, with an annual wage per job of $30,136, has declined 42.8%.

Meanwhile, employment in Trade, with an annual pay of $17,600 per job increased by 34.9% adding 8,500 new jobs or 40% of all new employment since 1980. During the same period, the County's Service sector expanded employment by 69.5% adding 9,800 jobs to the county's economy with an average annual pay of $20,349 per job. In both examples job growth has been greater in the lower paying portions of the trade and services sectors meaning that the number of workers earning less than the average is numerically larger.

What has occurred is that the better paying jobs have declined either in absolute terms or relative to the size of the economic base while lower paying jobs have expanded rapidly. This is hardly unique to Washington County. In fact this trend is almost universal throughout most communities in the U.S. One outcome is that larger numbers of individuals are working for lower relative wages and in some instances lower absolute wages than in 1980.

An examination of tax returns for Washington County reflects this change. In 1973, at the peak of an economic expansion, approximately 19,000 income tax returns had incomes below $10,000 in 1989 constant dollars. By 1977, near the peak of the next economic expansion, approximately 21,000 income tax returns had incomes below $10,000 in 1989 constant dollars. For 1988, the most recent available data near the peak of an economic expansion, Washington County had 34,000 tax returns with incomes below $10,000.

The particular employment expansion pattern describe above, has contributed to the concentration of income in fewer individuals. In 1973, the bottom 20% of those filing tax returns from Washington County had earned only 3% of the total income reported. While the top 20% of those filing returns garnished an unbelievable 49% of the County's reported income. By 1988, those 20% with the lowest incomes actually lost a portion of the County's income having access to only 2%. Those 20% with the highest income filing tax returns claimed 53% of the County's income. Thus, the 20% of people with the lowest income had proportionately fewer dollars in 1988 than they had in 1973, while those with the highest 20% of income filing returns had more.

While these numbers are sufficient to understand how a prosperous area can have sizeable populations in need of emergency assistance, they do not reveal the entire picture.

One portion not covered in the income numbers or the average wage numbers is the fringe benefits, most notably health insurance and child care. The typical higher paying manufacturing job or executive position comes with major medical health insurance for at least the employee and frequently available for the employee's dependents. Such is not the case for the typical lower paying trade and service jobs, part-time workers, or non-union lower paid manufacturing jobs. The consequences of this are obvious. A full time employee without full medical coverage earning at or slightly above the minimum wage is a single medical accident away from a family financial crisis. Such workers are also vulnerable to breakdowns in transportation, price increases in child care, or even appropriate clothing required to keep a job in the retail trade or service sector.

A second factor not covered by the existing employment numbers and for which information at the County level is not readily available is the number of workers working part-time and or temporary. The "casualization" of the labor force is breaking the bond between employee and employer. By contracting for temporary employees, the employer is able to reduce fringe benefit costs and externalize the costs of unemployment onto society in the form of unemployment insurance, public assistance payments, and emergency food and shelter costs.

A brief review of job openings in Washington County highlights these observations.

Largest Occupational Openings Portland Area

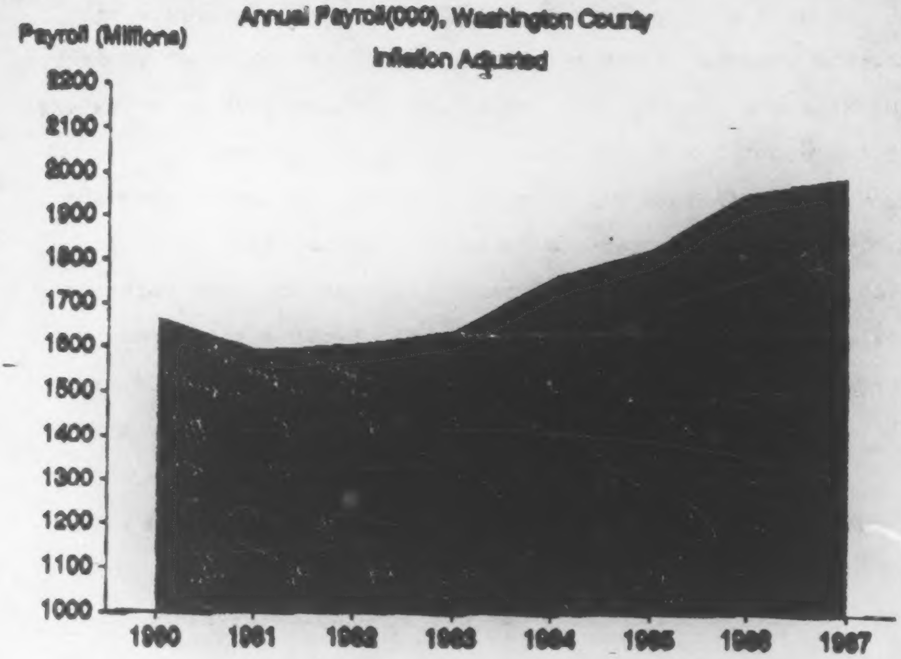
Occupation	Openings	Hourly Wage
Material Movers	3,067	5.49
Food Preparation Workers	1,298	4.08
Janitors and Cleaners	1,160	4.49
Cashiers	1,009	4.03
Office Clerks	877	5.16
Cook	790	4.77
Construction Worker	714	5.58
Gardeners/Groundskeepers	673	4.80

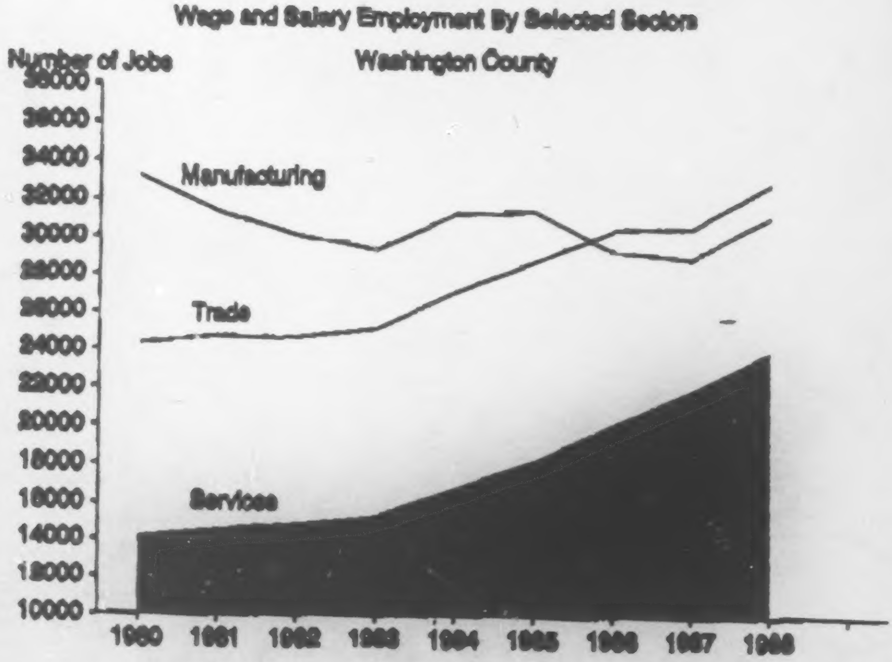
In conclusion, the numbers of lowered paid poorer households in Washington County is on the rise, as are the numbers of richer households. In the face of rapid economic expansion, in the midst of one of the state's most prosperous suburban communities, the need for emergency services, the need for adequate foodstuffs to prevent hunger is increasing.

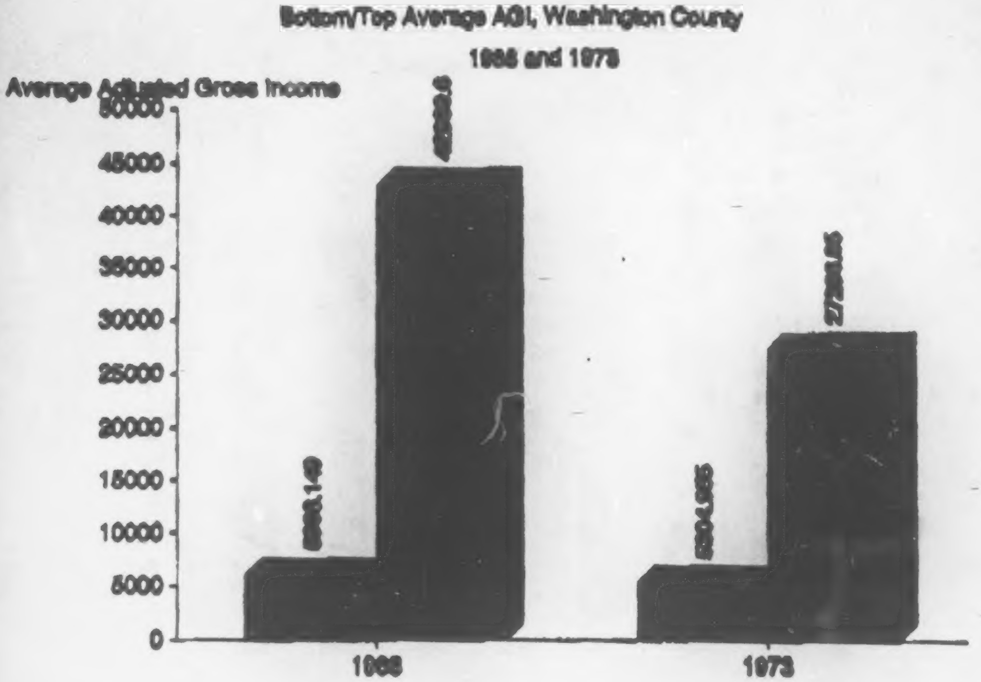
If the laissez-faire market is allowed to allocate goods and services to the same degree that it has since 1980, it is likely that this trend of labor market fragmentation and the concentration of income is likely to continue to occur. The implications are that the numbers of those in need of assistance will grow as the "middle" class continues to decline.

The role of government has always been to mitigate the harsher aspects of our market based corporate-planned economy. In Washington County, the low income workers live in every area of the county, are comprised of all racial groups, all age groups, and include men as well as women. In short they are truly invisible, except to those on whom the task falls to provide them with emergency care. Because they are relatively invisible, they are easily forgotten. Because they are fragmented they do not have readily identifiable advocates who can unify them into a political force to demand better treatment.

These low income workers when added to the more traditional image of poor migrant workers, low-income elderly, and high school drop-outs, combine to present Washington County with a major social problem which can not be completely resolved at either the community or state level. Thank-you.

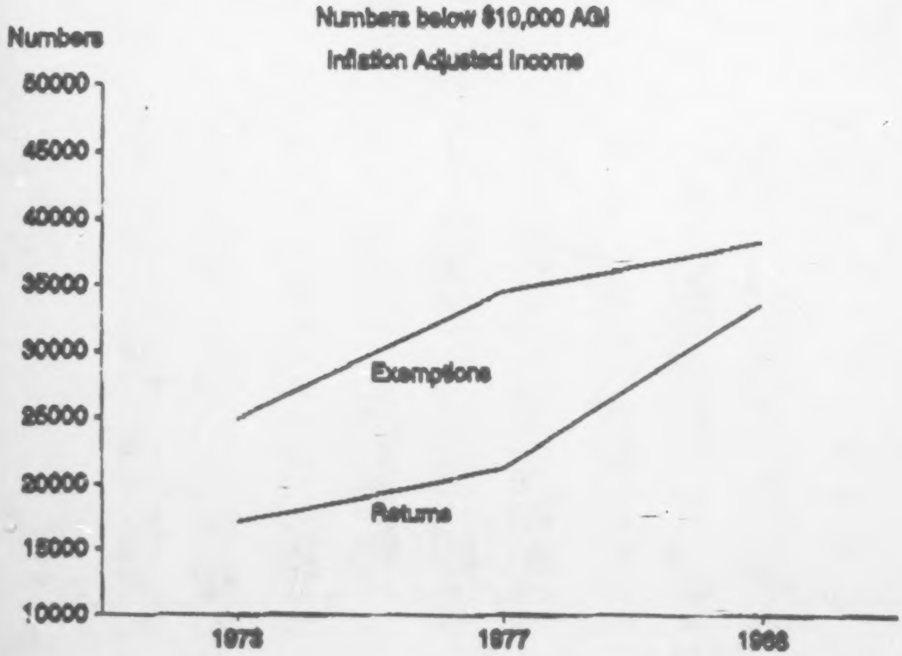

Annual Payroll(000), Washington County
Inflation Adjusted


Wage and Salary Employment By Selected Sectors
Washington County



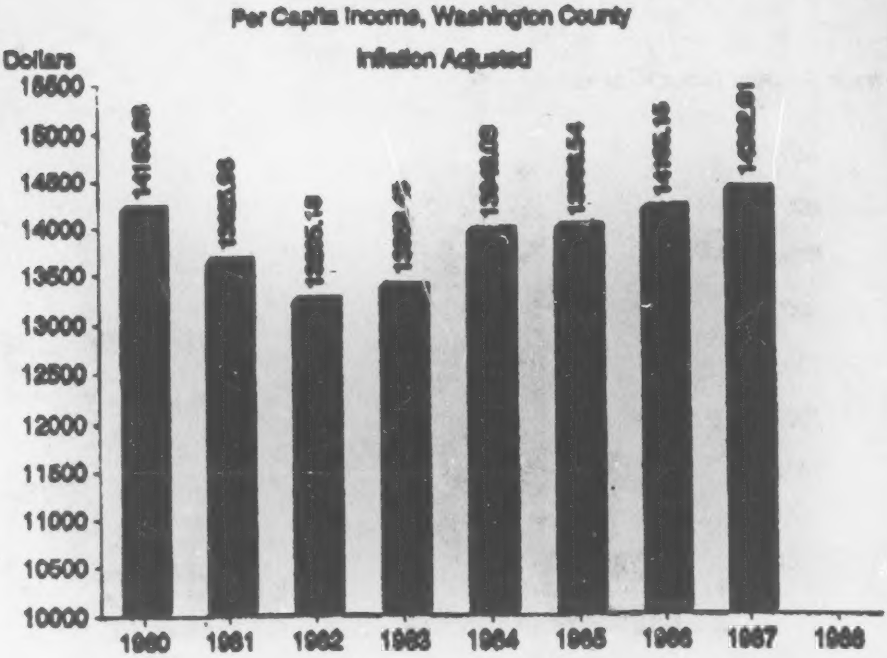
Bottom/Top Average AGI, Washington County

1988 and 1973



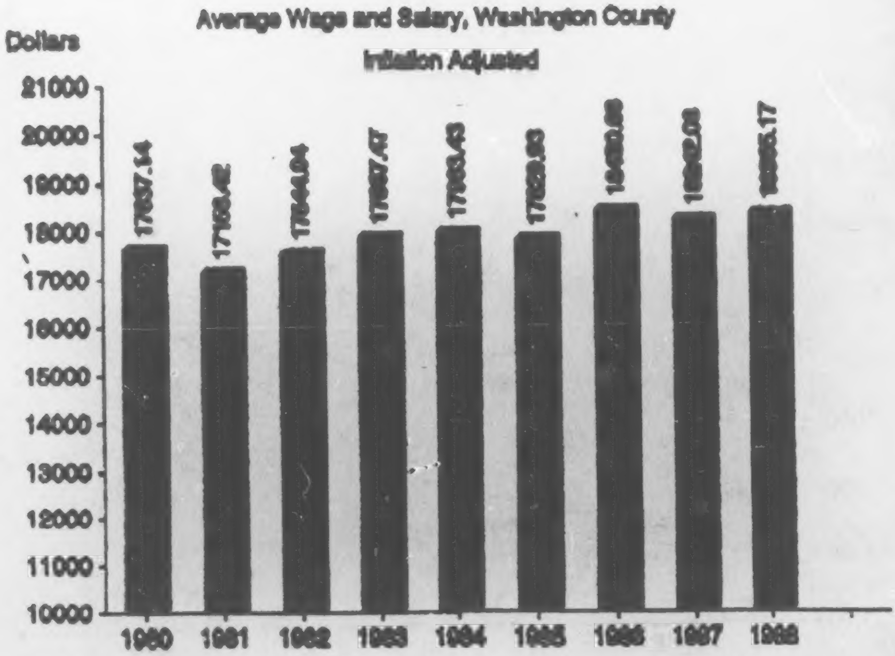
Numbers below $10,000 AGI

Inflation Adjusted Income



Per Capita Income, Washington County

Inflation Adjusted

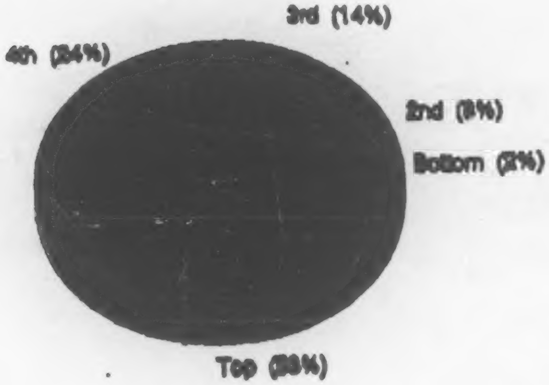


Average Wage and Salary, Washington County

Inflation Adjusted

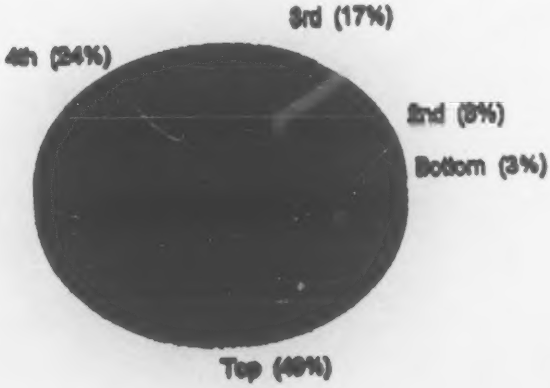
Distribution of AGI by Percentile, Washington County

1966



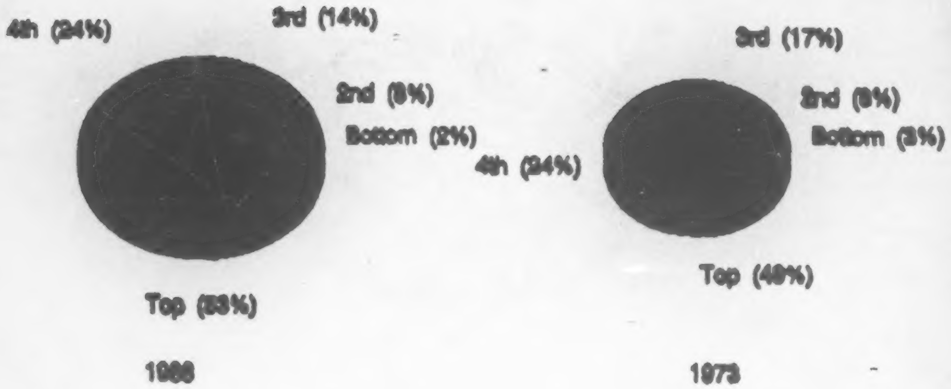
Distribution of AGI by Percentile, Washington County

1973



Adjusted Gross Income by Percentile, Washington County

1966 and 1973



Prepared Statement of Kevin W. Concannon, Director, Oregon Department of Human Services

A triangle of forces forms a powerful barrier to truly wise investments in people. Side one--the epitaph of the 1980s: federal cutbacks . Leg two of the triangle--gaps in federal programs that remain. Closing the triangle on the third side--a severe housing shortage.

The impact of this shortage goes well beyond the fact that an estimated 2500 people are homeless each night in Oregon.

*50,000 low income households in Oregon pay more than 30% of their income in rent and utilities.

*From 1980 to 1988 wages in our State increased 34%. Rent, for that same period, climbed nearly 47%.

And Oregon's housing shortage has not bottomed out. Under provisions of HUD and FHA programs owners of low income housing have the periodic option of removing their units from the system, and placing their property on the market. The Oregon Housing Agency reports 4,000 low income housing units in Oregon could be lost before the end of 1991 through this process. To understand the dimension of this potential consider the contrast: HUD built 803 low income housing units in Oregon in the past ten years.

The only boundary recognized by the Housing crisis is poverty. But within poverty there are many additional boundaries. Single, employable adults and childless couples who face hard times are at a particular disadvantage.

At the outset, these folks are categorically ineligible, except for unemployment benefits, for temporary income assistance through federal programs. This is a major barrier in any individual effort to reach or re-establish self-sufficiency.

Temporary food assistance is one resource for single, employable adults and childless couples. But let's consider the very troubling context:

*If the help is from food stamps, remember that they do not provide sufficient purchasing power to meet monthly nutritional needs when other income or resources are not available.

*Increasing numbers of Oregonians seek help from the Emergency Food Assistance Program. The 343,000 who needed food boxes in 1986 grew to 400,000 by 1989.

*In the 1980s Oregon's delivery of food commodities for this program dropped from a high of 14 million pounds to the current 4. Apparently some at the federal level believe that even this is too much.

*Under legislation re-authorizing the program, Oregon would loose 1.6 million pounds of high protein commodities--beans, peanut butter, vegetables, and fruit juices.

*The total of what would be left for the hungry of this State: 2 and a half million pounds of butter, corn meal, flour, and honey. (period)

If there is a crisis of such dimension that it forces us to consider curtailing this critical food program then the 1990s should mark a shift of federal agricultural subsidies. This is the decade to change our priorities. It is time to take money now spent to support the tobacco industry and offer it to farmers who would grow food for the poor.

For some, help does come from more than emergency food boxes, whatever their content. But Aid to Families with Dependent Children has its own inadequacies. One major reason, as I suggested earlier, is the difference between what these folks receive for shelter and what shelter actually costs. While I'm happy to note that Oregon does provide a cost-of-living adjustment for AFDC recipients, this is one of the few States in America that does so.

We are engaging in this discussion today in a county that has experienced economic dislocation. It still has an economy more vital than elsewhere in Oregon. There are hungry and homeless here, but the problem is not as threatening as in other cities and towns.

I'm talking about the timber dependent communities in Oregon. Estimates vary widely over the potential loss of jobs in balancing environmental and economic concerns, but it is certain far too many of our people face unemployment.

Even if the worst threat becomes reality, the over-all numbers of unemployed in Oregon may not reach the levels required to trigger extended federal unemployment benefit programs.

Thus, the potentially massive problems in the timber industry carry a peculiar irony for Oregon. Even with big job losses in this industry, our over-all state rate may not reach the level that would produce extended benefits.

That there needs to be a new triggering mechanism is evident to me. It might take the form of geographical regions smaller than state boundaries. It could be an industry based unemployment indicator that would trigger extended benefits.

But even improvements in unemployment benefit programs do not attack the real job problem in Oregon--a problem shared by most other states in this country: our workers are not adequately trained for the jobs that are available.

Whether you consider changes in Oregon's timber industry, or other segments of our economy, it is clear this gap is not a short term problem. Our workers face long term change. They cannot bridge the chasm alone.

Yet the 1980s were marked by a gradual federal retrenchment in the commitment to retrain workers. Oregon received 37 and a half million dollars for the Job Training Partnership Act in 1986. Last year–29 point 8 million.

There are 400,000 economically disadvantaged people in Oregon. JTPA has the capacity to serve 23,000, a mere 5 percent.

The service that is provided is draped in red tape that our JTPA workers report drives people away. Those who stay do not get the kind of family subsistence help, child care for example, that would serve a really serious effort to prepare for an entirely new career.

At Oregon's Department of Human Resources we work hard to make wise investments in people. Our system, in the early 1980s, suffered nearly mortal wounds from a depression economy. In recent years we have made great efforts at restoring the capacity we lost in the early days of the last decade.

We cannot go it alone. The federal government must become an active partner if America is to make truly wise investments in people.

Prepared Statement of R. Douglas Rogers, Executive Director, Snow-CAP, Portland, OR

Thank you for being here today, and for your commitment to trying to understand, and to resolve, the problem of hunger in our society. Our greatest need is for awareness and understanding of this problem by our community; the public is vaguely aware that there is a problem, but certainly they have little or no understanding of why this problem persists in a time of such general prosperity for the majority of people in our society.

I have been struggling with this problem for the past nine years. I have worked together with hundreds of our community's "best people" (our volunteers) to reslove this problem. I have helped to coordinate and more fully develop the system of services for people in need through the Oregon Food Bank, and the overall network of emergency service agencies. And, despite all these efforts, the problem of hunger persists at levels 4-fold what they were before the recession of 1981-82 (Snow-CAP volunteers served 1 family in every 10 in East Multnomah County last year).

We've done a good job of plugging the "holes in the dike" -- truly no child need go to bed hungry in Oregon. But we have yet to get beyond the bottom level of insuring a minimum of decency in our community -- poverty persists and what relief we can offer is the most minimum necessary to insure bare survival. And, to get this they must beg -- publicly -- from strangers for this help. The emergency food system is not an entitlement system; it is essentially a system of traditional charities, and when you ask for help from a charity you are "begging for help". These are harse words, but that is how the client feels, and it is a harse experience for them. We must go beyond begging if our community is to do justice for its citizens in their time of need.

The Oregon Legislative Task Force on Hunger was organized to address these very questions. Volunteers came together in the Fall of 1988 and began the process that culminated in the passage of a bill by the legislature to establish a task force to develop recommendations to better meet the needs of the hungry, and to examine the following:

(1) The current dimensions of hunger in Oregon;
(2) The role of state and local government in food and nutrition programs;

(..CONTINUED..)

"Neighbors helping neighbors in Christian love!"

DATE: 5-30-90
TO: Members, House Select Committee on Hunger
FROM: Doug Rogers

(3) The role of state and local government in coordinating emergency hunger, food and nutrition efforts in crisis settings; and
(4) Opportunities for public and private partnerships in the area of food and nutrition.

At this point, the Task Force is still in the "study stage" and has yet to establish its recommendations. What we do know is that the problem of hunger in Oregon essentially duplicates the problem in all the other states. It increased dratically uring the recessoion of 1981-82 and continues today for these basic reasons:

(1) Cut-backs and restrictions in government funded food programs;
(2) The shift from a manufacturing job dominated economy to a lower-paying and often part-time service job economy;
(3) The freeze in the minimum wage since 1981;
(4) The continued instability and breakup of the 2-parent family; and
(5) The failure of the local community (at state, county, and city levels) to assume a responsibility for the restoration of support previously provided by the federal government -- nor to respond to the dramatic increase in need of the hungry in our state.

The tragedy of all of this is that it simply doesn't have to be. Hunger is preventable by our society. But since we haven't done this we must recognize that we all have a part in being responsible for allowing it to go on, i.e. we are the ones who allow -- even cause -- hunger in America.

"PROFILES OF THE HUNGRY: 1988 Hunger Factors Assessment"

Statewide survey by the OREGON FOOD BANK to identify conditions and causes of hunger in our communities.

SUMMARY OF FINDINGS

I. HOW OLD ARE THE HUNGRY?

44% are under the age of 18, including 35% under age 13
5% are 60 years of age or older

Age of respondents ranged from 13 to 96.

II. FAMILIES ARE IN THE GREATEST NEED

The average household of respondents has over three members.
21% of the households are single people.

III. MOST RESPONDENTS ARE RESIDENTS, NOT TRANSIENTS

The median length of Oregon residency for survey respondents is 15 years.

17% of respondents are homeowners
8% of respondents reported they are homeless or living in car or van.
42% of the respondents were forced to move during the last five years to find work.

IV. MANY ARE EMPLOYED

Noting that 44% of household members are under the age of 18, the study drew out the following information regarding total employment of family members:

17% had 1 part-time worker.
15% had 1 full-time worker.
4% had 1 full-time and 1 part-time worker.
2% had 2 full-time workers.
39% of the households have unemployed members who are looking for work.
7% of the household members are retired.

V. LACK OF CHILD CARE A FACTOR IN EMPLOYMENT STATUS/NEED FOR ASSISTANCE

35% of the respondents said lack of child care prevented them from working.
53% of these households said they lack child care because it is too expensive.
11% of these households did not know where to find child care.
10% of these households said no programs are available in their area.

VI. SURVEY RESPONDENTS LACK UTILITIES AND APPLIANCES

19% have no indoor plumbing.
18% have no source of heat.
13% have no refrigerator.
10% have no running water.
10% have no lights.

VII. INCOMES ARE BELOW POVERTY - FOOD STAMPS ARE INADEQUATE

The median range for household net incomes, from all sources, last year was $3,000 - $4,999.

56% of the households received food stamps at least once during a 12-month period. Of these households, the median number of months food stamps were received is six.
87% of households ran out of their food stamp allotment within the first three weeks of the month.
30% of the households not receiving food stamps said they do not qualify.

VIII. REACHING THE NEEDY WITH INFORMATION IS DIFFICULT

55% of the households do not have a telephone
29% of the households do not have a television (national average - 2%)
52% of reporting households get their information about feeding programs through three government-funded programs: food stamps, Welfare Offices, and USDA cheese distributions. (Public cheese distributions have been discontinued due to a reduction in product available from the USDA.)

IX. HEALTH CARE FALLS SHORT

27% of respondents reported one or more household members in poor health.
60% of the households are putting off medical/dental care.
54% of the households have unpaid medical bills.
56% of the households report having no medical insurance coverage.

X. MORE EDUCATION IS NEEDED

43% of respondents had less than a high school education.
35% of respondents had a high school diploma or GED.
18% of respondents had some college or technical school training.
3% of respondents are college graduates.
16% of respondents said better education, enabling them to secure employment or a better job, would have enabled them to avoid their food crisis.

* Survey statistics may over-report the usual frequency of use by males and under report household size because of an atypical influx of migrants at the time of the survey implementation.

P.O. Box 16656
Portland, OR. 97216-0656

snow~cap

CHURCH-COMMUNITY ACTION PROGRAM

The Snow-CAP volunteers need your help!

Since 1967 they have given their time and talents to provide for the emergency needs of families in East County (all of county east of 82nd, including Gresham, Troudale, Boring and Damascus).

Snow-CAP provides about 2/3's of all emergency aid for families in East County (St. Vincent de Paul and the Salvation Army provide most of the balance).

Low-income people continue to need your help as our economy changes and government services continue to be limited. PLEASE DO WHAT YOU CAN FOR YOUR NEIGHBORS-IN-NEED: donate....FOOD,....CLOTHING,....KITCHEN & BEDDING SUPPLIES,....YOUR TIME,....
YOUR FINANCIAL SUPPORT

Snow-CAP VOLUNTEERS CONTINUE TO SERVE:

1
CHURCH
AT
WORK

The volunteers at Snow-CAP were faithful to their task throughout 1989. Poverty continues to be a serious problem in this community with levels of need four times what they should be (compared to our last normal year in 1981). *NOTE: these numbers include DUPLICATION, as people get more than one service and come an average of 2.5 times a year for help with emergency food; an unduplicated count of individual persons would be about 21,000 (a little over 1 in every 10 persons in East County!) for all services.*

NUMBER OF PERSONS SERVED:	*1981 (last "normal" year)*	*1988*	*1989*
EMERGENCY FOOD (3-day's supply)......	11,673	43,692	43,828
CHRISTMAS supplemental food program..	1,065	1,203	1,482
CLOTHING for all members of family...	2,976	8,004	7,094
Items for KITCHEN, BEDDING...........	448	1,546	816
FINANCIAL assistance (for utilities, medications, emerg. shelter, etc.)	518	3,941	3,830
TOTAL OF ALL SERVICES GIVEN..........	16,680	58,386	57,050

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snow~cap

NOTES FROM OUR HISTORY: How did we get our name?

It all started back in 1967. Volunteers from several East County churches recognized the need for a new ministry in our area. Families were hurting; basic human needs for emergency food, clothing, and shelter were going unmet. Something had to be done!

All over the United States church sponsored "community action programs" (CAP) were springing up. This was an organized effort for churches to work together and get involved in helping their community. The folks in East County knew a good idea when they saw one -- and they too organized into a CAP. But what to call it?

The best name for our new ministry would have been "East-CAP" but that was already taken by the east Portland area. Someone then had a bright idea: "What can we all see when we look to the east on a clear day? — snow-capped Mt. Hood. So let's call it Snow-CAP!"

Then, they tried to make it mean something, and another idea was offered: "Suburban Neighborhoods Operation Witness, Church-Community Action Program". But, that was too complicated, so over the years its just came to be known as Snow-CAP.

SUPPORT GIVEN BY COMMUNITY IN 1989:

Many people have been generous and continued to help by donating during 1989...

VOLUNTEER LABOR -------------------	worth	$250,792
FOOD DONATED ----------------------	worth	461,204
CLOTHING, HOUSEHOLD ITEMS --------	worth	130,268
WORKSPACE and UTILITIES ----------	worth	31,867
TOTAL VALUE OF DONATED GOODS, SERVICES:		$874,131

People also helped through their FINANCIAL donations...

MEMBER CHURCHES..............	$55,740	(35%)
INDIVIDUALS..................	49,014	(31%)
COMMUNITY GROUPS.............	33,382	(21%)
NON-MEMBER CHURCHES..........	2,184	(1.4%)
CHURCH DENOMINATION GRANTS...	2,500	(1.6%)
"WALK FOR THE HUNGRY"........	14,372	(9%)
MISCELLANEOUS & INTEREST.....	2,785	(1.7%)

TOTAL 1989 CASH DONATIONS:

$159.977 (100%)

East County's largest emergency services program
SNOW-CAP....NEIGHBORS HELPING NEIGHBORS IN CHRISTIAN LOVE!
A cooperative emergency services ministry
sponsored by 45 churches of 20 denominations

Mid-County/Main Office/Clothing Room/Mon to Fri, 10am--3:30pm
1740 S.E. 139th, Portland *Phone: 252-0278*
East of 182nd Ave./Monday to Friday, 10am--2pm
507 W. Powell Blvd., Gresham *Phone: 667-4300*

Prepared Statement of Winifred Nazarko, Executive Director, Oregon Food Bank, Portland, OR

I appreciate the opportunity to testify before the Select Committee. We in Oregon have a vital interest in an intelligent federal approach to hunger relief, and are pleased to offer our perspective to help you develop such an approach. The following describes our vantage point on hunger in Oregon, how and why it persists, and why federal resources must be committed to address it.

1. Who We Are

Members of the Committee, I am Winifred Nazarko, the Executive Director of Oregon Food Bank (OFB). OFB is a nationally unique, statewide system of food banks. Our way of working to end hunger in Oregon is to distribute food to community groups that serve low-income people in our state, and in Clark County, Washington. In the greater Portland area, OFB directly supplies nearly 160 member programs who in turn assist individuals and families. Elsewhere in the state we supply food to 19 Regional Coordinating Agencies (RCAs), which in turn supply their local programs. In all, we provide food to nearly 600 programs, including 282 emergency food box programs, as well as soup kitchens and supplemental food programs.

In 1988-89, OFB's 282 emergency food box programs provided food to approximately 400,000 individuals, unduplicated, 14.8% of Oregon's total population.

2. Our Connection to Washington County

Oregon Food Bank serves Washington County residents by distributing food to Tualatin Valley Food Center (TVFC), located in Aloha. A Regional Coordinating Agency (RCA) of Oregon Food Bank, TVFC supplies food to 48 member programs. In 1988/89 OFB moved over half a million (.5 M) pounds of food to TVFC. Another 434,000 pounds was channeled directly to TVFC via statewide food drives and statewide donors connected to Oregon Food Bank. An additional 81,000 pounds was directly secured by TVFC, bringing the total supply for distribution to over one million pounds.

The amount of food allocated by OFB to TVPC for Washington County is based upon a formula using county poverty population, and unemployment rates. In 1988/89, TVFC was allowed to draw 6.6% of the total resources allocated through Oregon Food Bank. In contrast, Washington County has 10% of the state's population. This indicates that compared to some areas of the state, conditions in Washington County can be described as "above average". But all things are relative, and the allocation formula used by OFB does not consider cost of living. Our poverty statistics are from the 1980 census which may also have some impact.

3. Hunger and Why It Exists in Washington County

Hunger is a manifestation of poverty. My definition of poverty is "that condition where available resources are insufficient to meet reasonable and necessary expenses". Hunger sometimes occurs when individuals/families lack the resources to meet a number of primary needs, like shelter, utilities, and clothing, as well as food. However, hunger may also occur when individuals/families have enough resources to provide for some, but not all, primary needs. In these cases, choices are made. Shelter is generally protected as a first priority. This often means the family wallet is empty when it is time to purchase food. Data issued by the federal government in 1989 showed 45% of all national poor renter households paid at least 70% of their income for housing costs. While I am not aware of statistics collected on this point for Washington County, it is unlikely they are substantially different.

In a sense, use of the emergency food system provides an informal income subsidy that helps compensate for shelter expenses which absorb limited cash resources. Public and subsidized housing is scarce; shelter residency is clearly not desireable. In the struggle to remain housed in the "regular economy", individuals and families seek ways to save money, and to stretch income. The use of emergency food boxes and on-site feeding programs permits low-income people to shift part of the expense of eating to a publicly and privately subsidized system. The food bank Network is the core element of this system.

Food stamps are an essential resource for many people. However, the current food stamp program does not adequately adjust benefit levels to compensate for high shelter costs paid by families with children.. As a consequence, many of these families do not have sufficient food stamps to meet their actual needs nor do they have cash resources to purchase food. This "food gap" is sometimes filled by emergency food boxes or meals. In a 1988 study conducted by Oregon Food Bank, 27% of households requesting emergency food boxes were receiving food stamps at the time of request. Eighty seven percent (87%) of these households reported exhausting their food stamps within the first three weeks of the month.

Interestingly, 73% of those surveyed were not using food stamps at the time they requested an emergency food box. Thirty percent (30%) of these said they did not qualify for the program. Nine percent (9%) said they did not want to apply. Ten percent (10%) said that either they were afraid to apply, or that it was not worth the trouble. This indicates, at least in Oregon, that the

BEST AVAILABLE COPY

populations using emergency food programs and food stamps are not identical.

In communities like Washington County, which experience substantial population and economic growth, housing costs escalate. Unfortunately, economic development does not guarantee that prosperity reaches all economic levels. As the average income increases, and shelter expenses climb, a percentage of the population will face serious difficulty in meeting basic needs. A substantial number of these people will be employed; our 1988 Hunger Factors Assessment showed that 38% of households needing emergency food had at least one family member working.

A community that is experiencing economic growth tends to be a community where there are social barriers to obtaining and using food stamps. In order to use food stamps, a person must be publicly visible as a low-income person. This is psychologically difficult for many, as is the process of applying for food stamps.

For these and other reasons, emergency food box programs are an essential component in hunger relief efforts in Washington County. They allow people in need to quickly access food, permit them to minimize personal disclosure, and allow them to avoid the public scrutiny involved in using food stamps.

4. The Significance of TEFAP to Hunger Relief in Oregon

In Oregon, TEFAP (Temporary Emergency Food Assistance Program) foods provide the backbone of our emergency feeding system. Except for a limited amount of "bonus" commodities, all TEFAP resources are distributed by emergency food box programs and emergency feeding programs like soup kitchens. This means these resources are effectively targeted to those with urgent need. Furthermore, our equitable distribution system allocates food to counties in a way that considers their economic condition. This allows us to use this federal resource to directly support those communities and families most needing food assistance. Given this application, TEFAP is a key survival resource for many people in Oregon.

TEFAP is essential to hunger relief in Oregon. The availability of commodities provides a predictable flow of foods of determinate volumes and types. This allows OFB to use donated foods which may not be predictable in either volume or type as supplementary resources, contributions toward an adequate emergency food box. "Adequately" is defined as a 3-7 day supply of nutritionally balanced foods that can be used to prepare reasonable meals.

Oregon is currently struggling to survive the massive cuts in TEFAP foods from 87/88 to 88/89 levels. As Chart 1 indicates, Oregon lost nearly five million pounds of federal food resources during that period. The effects of this deep cut are still hitting the OFB Network. In addition to stepping up already highly developed community and private sector food solicitation efforts, various programs have attempted to compensate for TEFAP cuts by increased food purchase. In some cases, this has lead to competition with emergency shelter providers for limited FEMA dollars. In other cases, it has created a market for foods that would otherwise be donated, which may eventually erode the corporate base essential to food banking.

In some communities, emergency food pantries have closed because volunteers have felt overwhelmed by demand they were unable to meet. Other programs have reduced the size of food boxes, hours of operation, or have introduced more stringent eligibility requirements for the receipt of emergency food. It is likely there has been a displacement onto the food stamp system, which functions solely on government dollars.

A positive effect of USDA cuts and Second Harvest shortfalls in Oregon has been "forced creativity", as OFB moves to involve growers, processors, and the community at large in more coordinated contributions to hunger relief. The net effect is an increase in volume of food raised by the OFB Network, and the establishment of systems of community response that can maximize in-state contribution. However, the OFB Network cannot meet the needs of Oregon's hungry without TEFAP.

It is a central, indispensable resource. Oregon's emergency food system could not have developed without it, and cannot survive if it is withdrawn.

Therefore, we recommend that TEFAP continue, at levels adequate to supplement local contributions, and meet actual community need. We believe this requires a substantial increase in the program from current levels.

5. Reformulation of TEFAP

We believe a primary advantage of the food bank concept is that it taps private sector and community contributions for the public benefit. This means federal and local governments realize savings, because some hunger relief is provided with donated resources. Charts 2 and 3 show the relative contribution of sources to Oregon in two subsequent years.

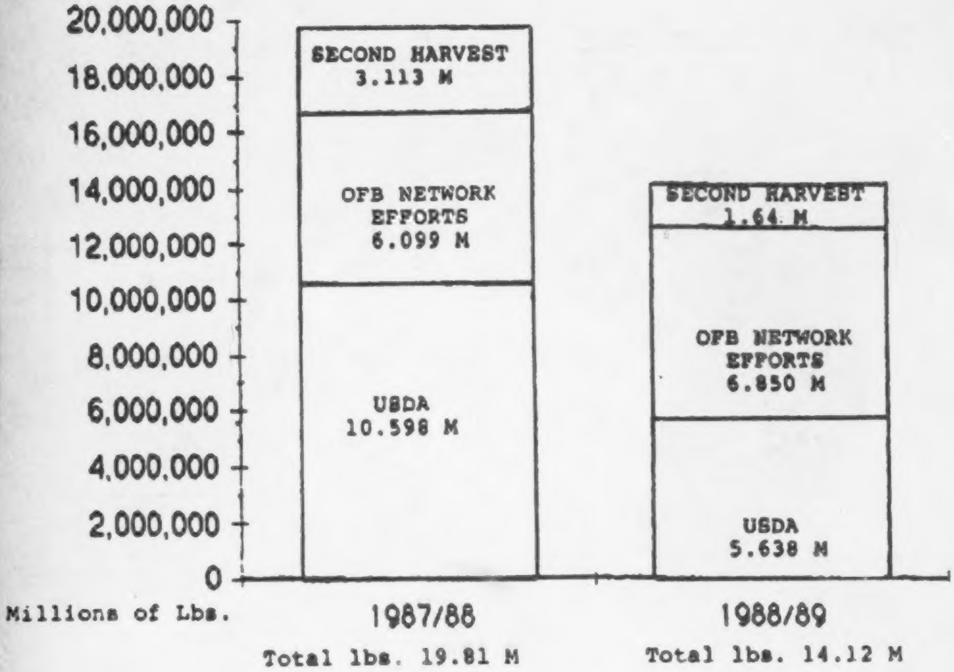
The best "stretching" of private contributions occurs when the federal commodity "match" dove-tails closely with what is secured from donations. This would allow for preparation of food boxes that are balanced and adequate. It also minimizes federal purchase of commodities that may be available locally for donation. An example of this duplication is green beans, which USDA will provide this year, and which OFB has already secured in volume.

Therefore we recommend that the type and packaging of purchased commodities be determined by the actual needs of providers. Preferably, this would be done on the state level, although regional assessment might also be viable.

Generally speaking, we advocate greater flexibility of TEFAP by "bumping down" purchasing and processing decisions to the state or regional level with determinative input by food banks. It is ultimately uneconomical to make all decisions at the national level, since local resources and potentials vary so greatly. It is appropriate that food purchased using federal funds be of a type and in a form that makes them most useable -- both to the individuals needing them and to the programs that are trying to fit them with what the community has, or can contribute. This means local purchase options should be explored.

Thank you for your consideration.

Chart 1



Total Food Supply Available to OFB Network by Source.

Chart 2

Sources of Oregon Food Bank Food
7/1/87 - 6/30/88

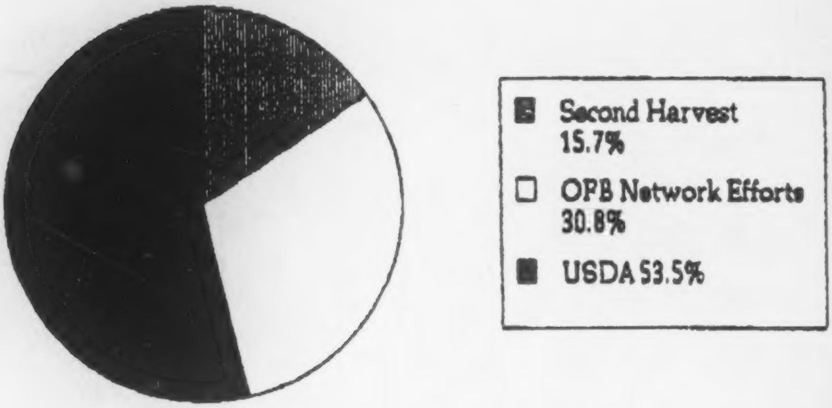
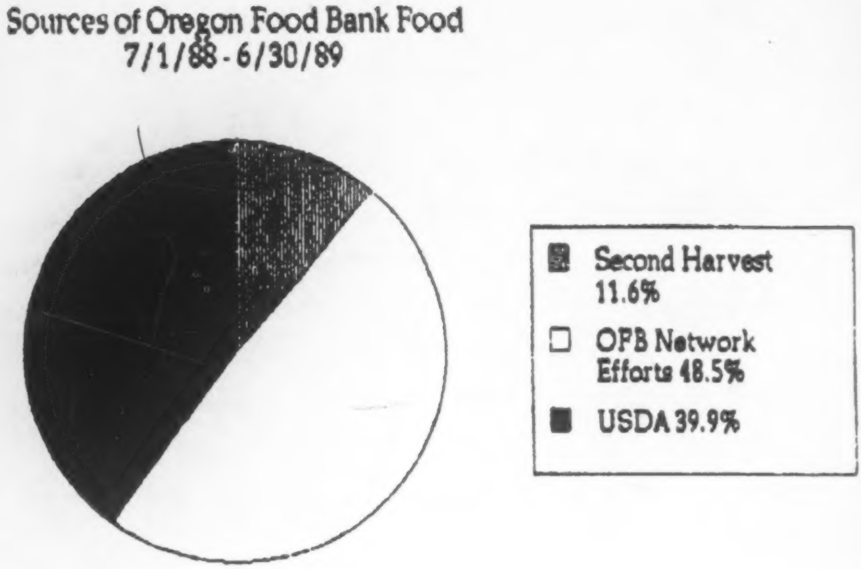


Chart 3


Sources of Oregon Food Bank Food
7/1/88 - 6/30/89
▨ Second Harvest 11.6%
☐ OFB Network Efforts 48.5%
■ USDA 39.9%

Prepared Statement of Anne Kelly Feeney, Executive Director, Loaves and Fishes Center, Inc.

Public Testimony US House of Representatives Committee on Hunger
May 30, 1990

Thank you for the opportunity to testify today concerning hunger and our aging seniors in Washington County.

I am the Executive Director at Loaves & Fishes, an organization serving senior citizens throughout the entire metropolitan area of three counties around Portland. We serve 4,000 meals daily. Our three Washington County sites serve 180 Congregate and 170 Meals-on-Wheels daily. Our nine sites in Clackamas County serve 498 Congregate and 480 Meals-on-Wheels. Approximately half of those meals are in extremely rural areas, the remainder in suburban communities. The remaining 2,672 meals are served within city boundaries.

We prepare the meals at Loaves & Fishes Central Kitchen and deliver them in refrigerated trucks where they are re-heated at Centers and sent out to the homes by volunteers or served in group settings. Our growth has been 10% a year in Meals-on-Wheels with a modest growth in congregate attendance. Our Centers range from 50 individual attendees at lunchtime to 100 plus.

In preparation for this testimony I questioned Loaves & Fishes staff in each Center who work directly with our clients. Seniors are visited regularly in their homes to "qualify" them for Meals-on-Wheels and staff see others regularly at the lunch site. A majority of our clients are below 125% of poverty level. Part have been lifelong indigents; half would be classified as middle income, working all their lives, relatively prepared for retirement. Approximately 25% of our clients have found that increased cost of housing and emergency medical care has impoverished their life savings and caused them to turn to public assistance programs. This they had not anticipated in their senior years.

This disappointing and alarming development generally resulted from a crisis in personal health care for that individual or spouse, life savings spent rather quickly on a crisis involving medical care. These same clients generally refuse to defer their property taxes despite tremendous annual tax increases. Instead, they wish to save their home as a dwelling for their older years or to leave the equity to their children. Because of dramatic increases in property taxes and other high cost demands we find that one-quarter of our clients are newly impoverished in their senior years.

Seniors, in general, are better prepared for retirement; however, 25% are impoverished individuals. These seniors have worked all of their lives and expected to enjoy retirement. When they come to our Center, they suffer the indignity of being unable to pay for their lunch. My staff say many refuse service out of a sense of pride. They do not receive meals and simply go undernourished. We have fewer individuals participating in our program but they come to our Centers more frequently. This is an indication that they are relying completely on us for their nutrition. Many indicate that they dread the weekends because there is no place to go and nothing to eat.

My recommendation to the Committee is that they continue to fund the Older Americans Act with cost of living increase. As long as we are forced to cut back hours and programs, our seniors will receive fewer meals. I recommend that you seriously consider a means test for Meals-on-Wheels clients, so that cost sharing could occur. Many of our participants still believe that the government is paying for all of this program.

The real cost crunch involves our congregate program. There is no economic base to pay for these Centers and more fundraised dollars need to be invested in Center maintenance rather than direct service to clients. I recommend that the cost of the in-home meal, which is our growing need, be borne by Medicaid funds that are used through the waiver for in-home services rather than Older Americans Act. These monies were originally designed to offer to the entire community a group meal and healthy socialization. I think that the congregate program should not be a means-tested program, but in-home services should be means-tested since they are usually already on a case load. All those who can pay for the full $3.75 cost of the meal should be doing so. The remainder should be subsidized by Medicaid. All the Older Americans Act money should be shifted back into group meal sites so that activities, buildings, and the socialization opportunities can be enhanced instead of slowly stripped to nothing.

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